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Mr Silkin says he has already beaten Mr Foot

Mr John Silkin said yesterday that he was confident of victory in the contest for the Labour Party leadership. He had already warned Mr Michael Foot, who will announce today whether he will stand for election, that "I have him beaten". Without Mr Foot's entry he believed he could beat Mr Healey on the first ballot.

Delays may force Shore pull-out

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Jobless rise outstrips Whitehall's computers

By Donald MacIntyre
Labour Reporter

Ministers are to decide whether to increase the computer capacity for public sector security benefits after an internal working assumption in Whitehall that unemployment could reach 2.8 million by the end of next year.

The assumption arises partly because the Government has to calculate what level of unemployment benefit it will need to pay in a year's time. Existing computers deal with no more than 2.7 million claims at most.

An option being considered is that a new computer or sub-minimal should be bought and programmed to augment the four Department of Health and Social Security units used for paying unemployment benefit.

Unemployment benefit is assessed and Giro cheques prepared on two main ICL 1904S computers at Reading, Berkshire, and Livingston, west Lothian. Each unit is understood to have a maximum theoretical capacity to make 680,000 payments every fortnight.

It will be argued in Whitehall that the 2.8 million figure is a working assumption for practical purposes rather than an economic forecast. It is in any case the maximum that officials see unemployment reaching in 1981.

Nevertheless the projection circulating within the DSS and the Department of Employment is the first official admission that unemployment may well rise to more than 2.5 million.

In some quarters it will be seen as an underestimate. The Treasury, which jealously preserves what it sees as its prerogative in publishing assumptions about unemployment, may make a revised forecast for 1981-82 when it issues the economic predictions next month.

The decision ministers will have to take on unemployment benefit will be whether to install a computer in the new 2900 series available from International Computer Limited or to enhance the existing range, whose lifetimes end in the middle of the 1980s, to cope with next year's continued rise in unemployment.



Packed crowds at the International Motor Show, Birmingham, yesterday, which drew an attendance of 94,763. The most popular exhibits were the Rolls-Royces, the Mini Metro and the new Ford Escort.

Fraser win confounds the opinion polls in Australian election

From Douglas Aiton
Melbourne, Oct. 19

Mr Malcolm Fraser's Government was returned to office in the Australian election yesterday with a comfortable, though reduced majority.

With more than four-fifths of the counting completed, Labour had taken 45.8 per cent of the vote, 6.1 per cent more than in the 1977 election. The Liberal-Country Party coalition polled 46 per cent, a fall of 2.1 per cent on 1977.

The result represents a swing of 4 per cent to Labour, which will mean a gain of between 12 and 22 seats. But the Government, which had a majority of 45 seats in the previous House, is still comfortably in power.

During the early stages of the count, Labour looked as if it might win, but by the end of the evening Mr Fraser was able to claim victory.

Mr William Hayden, the Opposition Leader, conceded today when the figures were coming out even more strongly for the Government.

At the close of counting last night, it was thought that Labour had attracted a swing of around 7.3 per cent, more than enough for victory had it been uniform throughout the country. But it was clear that the swing was extremely erratic, giving Labour votes where it did not need them, and that the Government was safe.

Today, however, as more figures trickled in, the swing to Labour appeared to be only around 4 per cent. It is not yet clear how many seats Labour has won, but the party is further from victory than was expected, even by those who thought the Government would win.

The result has made a mockery of the opinion polls, all of which predicted a Labour victory.

A significant aspect of the election was a drop in support for the third party, the Democrats, but they still have a good chance of holding the balance of power in the Senate.

Early in the count, Labour appeared to be going very well. At one stage Mr Robert Hawke, the trade union leader, who scored a devastating win in the Victorian seat of Wills, declared that Labour had won. But as the results trickled in from the rural electorates, it became clear that the coalition would retain office.

By 10 pm, Mr Fraser was confident enough to make his entrance at the Liberal Party's headquarters in Melbourne and claim victory to the ecstatic cheers of the party faithful.

Then in a television broadcast, which was watched by 45 million people, Mr Fraser said that he had never believed the opinion polls and had always had confidence in the "judgment of the Australian people".

Mr Hayden insisted that the votes from Western Australia had yet to come in and that they could be decisive. Acknowledging defeat today, he congratulated Mr Fraser on his victory and said he hoped for a vastly improved government in the period of the new Parliament because "it is needed".

Labour did best in Victoria where it gained four marginal seats in the outer suburbs of Melbourne.

Mr Hayden will have a larger team in Parliament now, but not nearly as large as he expected. His own position of leader must be considered at this early stage, to be in some danger, especially since Mr Hawke polled so strongly and entered Parliament so comfortably.

Mr Hawke was staunchly defending Mr Hayden's performance as leader last night, but the two men have had an acrimonious falling-out on one occasion in the past. If that were to happen again, it seems likely that Mr Hawke could stand for the leadership and win it.

Leading article, page 15
Effect on markets, page 21

Philippines President escapes bomb blast

Manila, Oct. 19—A bomb exploded today at the opening session of an American travel agents' convention.

President Marcos of the Philippines and Mr Richard Murphy, the United States Ambassador, who were sitting about 50 feet away from the blast, escaped unhurt.

Officials said 18 people suffered minor injuries, including five Americans, a Jamaican, a Swiss, a South Korean and 10 Filipinos.

Mr José Asprisa, Tourism Minister of the Philippines, tonight said the explosion at the American Society of Travel Agents (ASTA) conference was set off by delegates.

Mr Asprisa, speaking as the ASTA executive board met to decide whether to cancel the conference, said "classified information" showed that some ASTA delegates had concealed bombs in their briefcases, which they placed on their seats and then left.

The bomb went off 10 minutes after President Marcos had delivered the keynote address to the 5,000 delegates at ASTA's fiftieth anniversary.

President Marcos stayed for about five minutes after the explosion and then left.

The anti-Marcos guerrilla group known as the April 6 Liberation Movement warned delegates not to hold the convention. The Government stepped up security precautions in the city but witnesses of the convention, centre near Manila Bay said security was lax today.

After the explosion, the news agency Agence France-Presse said it received a telephone call from the April 6 group claiming responsibility for the bombing.

At the time of the blast, the hall was dark and the delegates were watching a documentary film outlining Philippine-United States relations.

"We thought it (the explosion) was part of the show but it came when the common was supposed to boom," Miss Nadine Goodwin, writer for the Travel Weekly of New York, said.

The bombing was the latest in a series of incidents that has killed one American and wounded 40 other people in Manila since August 22. —UPI and Agence France-Presse.

Mr Muskie is cautious on hopeful signs for hostages in Iran

From David Cross
Washington, Oct. 19

Although there were some new hopeful signs, the Administration in Washington had learnt from past experience not to raise too high expectations for the early release of the 52 American hostages from Iran, Mr Edmund Muskie, the Secretary of State, said today.

Mr Muskie, who appeared on ABC television's weekly interview programme *Issues and Answers* was responding to questions about last week's visit to the United Nations by the Iranian Prime Minister, Ali Rajai, the Iranian Prime Minister.

At a press conference yesterday, Mr Rajai said that the Iranian Parliament would set "very soon" conditions for the release of the hostages.

Mr Muskie also made it clear that the Administration had urged King Hussein of Jordan, as well as other leaders, not to intervene in the war by assisting either side. As a neutral party, the United States wanted to avoid any expansion or prolongation of the war.

Washington would continue to press for an end to hostilities via the United Nations and the Islamic Conference, he added.

Asked whether the continuation of the conflict might lead to the dismemberment of Iran, Mr Muskie said that Iran and Iraq had "political vulnerabilities". But to date the populations of both countries had rallied behind their leaders and in the case of Iran in particular, the conflict had proved to be a solidifying force.

In a separate interview on one of the other television channels, former President Ford said today that he supported the Administration's decision to remain neutral in the latest Middle East conflict. To take the side of either belligerent would put the United States in a "quagmire" with much more serious ramifications than those of the recent Vietnam war, he added.

Mr Ford indicated that he believed that President Carter might be tempted to act dramatically to try to free the hostages during the next couple of weeks before the presidential election on November 3.

Such a move purely for short-term political advantage could prove to be a disaster for the United States in the long term, the former President said.

Saddam apologia, page 4

ato decision minent on reek reentry

Decision on the readmission of Greece's six-year ex-territory to the NATO Planning Committee is imminent. The committee is expected to set in Brussels to consider the Greek application to rejoin the alliance. The committee has agreed a formula elaborated by General Sir Lord, the Supreme Allied Commander in Europe, for its re-entry. But the acceptance of the formula has not been officially confirmed. Page 4

dge to Afghans

ent Karmal of Afghanistan has been a written undertaking by the Soviet that it will keep its troops in the until opposition to his rule has been crushed. In a statement in Moscow by Mr Karmal and ent Brezhnev, the Russians said the 1 people and Government could indefinitely on Soviet help. Page 5

ing with traffic

7 years since the Buchanan study of in towns was published. Yet Britain ill not decided whether it is a that threatens people and the of buildings or a necessary count of progress and prosperity to be achieved in new ways. The article in John Young's series, *Displacement of Britain* says Page 3

ve to annex Golan

ing deputies who recently secured f. of the controversial law formalized control over east Jerusalem are "going for annexation of the Golan Heights" observers believe that the Israeli Government has far-reaching intentions. Page 4

thirty bill fight

ish Steel Corporation plans an 80. its costs in the face of rising. Arguments are expected to be weeks, between BSC and the electricity generating companies to cut the corporation's annual electricity bill. Page 19

Britain 'guilty' over prisoners' mail

A report by the European Commission of Human Rights is expected to find the United Kingdom guilty on four counts of sending prisoners' mail. The findings coincide with government commitment to reform prison mail rules. The Home Office refused to comment on the charges, but said they had nothing to do with the European cases. Page 4

Leader page 15
Letters: On the Labour leadership, from Mr Bryan Magee, MP, and Mr Keith Kyle; transcripts from Mr John Gao and Mr C. W. Koenigsberger; another musician, from Mr Stephen Tennant.

Leading articles: Mr Malcolm Fraser's election in Australia; the American presidential campaign.

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Geraldine Norman reports on a Holbein controversy; Eric Hoffer has a timely reminder for Labour MPs; Peter Jay on the American economy; The Times Profile: William Frankel on Menachem Begin and Shimon Peres.

Sport, pages 6-8
Golf: Trevino wins Lancôme tournament; Tennis: Tracy Austin out of Wimbledon Cup; Football: Republic of Ireland to appeal to FIFA over fixture problems.

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Mr Edward Miller.

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Business News, pages 18-25
Financial Editor: Australian markets after the election: curious imbroglio at Grindlays; Business features: John Whitmore discusses monetary control; Peter Hill on the independent trade union movement; The workings of the EEC's Intervention Board for Agricultural Produce.

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Italy's new broadly based Government will have majority of 90 in Chamber

From Peter Nichols
Rome, Oct. 19

The number of postwar Italian governments reached 40 with the success this weekend of Signor Arnaldo Forlani's efforts at putting together a coalition, led by his Christian Democrats but more broadly based than any in the last six years.

An agreement to collaborate between the Socialists and the Social Democrats cleared the way for the return together to government of the two wings of Italian socialism. The last Government consisted of Christian Democrats, Socialists and Republicans. This one adds the Social Democrats.

A second change is the departure of Signor Filippo Tanassi, who had the Treasury. Signor Giovanni Marcora, who was Minister for Agriculture, and Professor Massimo Giannini, who was planning administrative reforms. They could well be regarded as the most successful trio in domestic affairs of the whole outgoing Administration. But they had a common weakness: they do not have powerful factions behind them.

The Government has a solid majority on paper: 90 in the Chamber and 60 in the Senate. The Communists have still to define their attitude towards Signor Forlani, who can presumably find some more constructive arrangement with them than the outright opposition with which his predecessor, Signor Francesco Cossiga, had to contend.

Signor Forlani, who is aged 55, is a familiar face on the political scene but he has not been Prime Minister before. Among other ministries he has had foreign affairs and defence.

His immediate problems are largely economic. Inflation is at 20 per cent. The Fiat closure has ended by Signor Giovanni Agnelli, Fiat's chairman, has made it clear that he does not regard the agreement as having restored competitiveness.

At the very least, Signor Forlani will have to introduce measures similar to those on which the last Government fell and will mean a rise in the prices of some public services, in the cost of petrol as well as changes in value-added tax.

Ministerial list, page 4

Crew delay Southampton departure of QE2

From Our Correspondent
Southampton

The crew of the QE2 refused to sail the ship out of port yesterday. They voted unanimously to delay the Cunard liner's sailing from Southampton to New York by 24 hours.

The 800 crewmen on the 67,000-ton liner took their decision only one hour before she was to leave Southampton after a mass meeting held on board at which Mr Sam McCuskie, assistant general secretary of the National Union of Seamen, called for the delay.

The dispute is over Cunard's decision to transfer its two Caribbean-based cruise liners, the Cunard Princess and the Cunard Princess, to flags of convenience. This will mean it can employ cheaper foreign crews and the loss of 270 jobs for British seamen.

"We want to show our shipmates out there in the Caribbean that someone cares about them, that we are right behind them," Mr McCuskie said.

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HOME NEWS

Urgent action demand after jail suicides double in two years

By Frances Gibb
Suicides in prisons have doubled in the past two years to six times the rate among the general population, according to a report published yesterday. It says that in 1977 there were 11 prison suicides, compared with 21 in 1979, an increase from 0.26 of the general population to 0.49. Among the general population the rate has remained constant at 0.08.

Of the 630 deaths in prison in the past 10 years, 226 or 35.8 per cent, were due to natural causes and suicide.

It also points out that the average age for prisoners dying of natural causes in the past two years has fallen from 48.5 to 43. In the general community it is 70 for men and 79 for women.

The report, which calls on the Government to take emergency action to reverse the serious crisis in the prison system's history, has been published by the National Council for Civil Liberties.

It says that in the past 10 years the prison system has the highest number of recorded deaths in Britain, in London, a remand prison.

"This is particularly distressing in view of the fact that... the men (and some women) within its walls are awaiting trial and are, therefore, presumed to be innocent. These prisoners are kept in some of the worst conditions which arguably they should be best."

Of the five prisons with the highest death rate, four were in London. During 1969-79, there were 56 deaths at Brixton, 48 at Wandsworth, 35 at Wormwood Scrubs and 34 at Pentonville, it says. The fifth prison, Liverpool, had 33 deaths.

The report, written by Dr Roger Garry, a research assistant at York University, also notes that the royal prerogative of mercy (on the Home Secretary's advice) for terminally ill patients was exercised in the case of only 58 of 370 prisoners who died of natural causes in the last decade.

It accuses prison authorities of being secretive in their interpretation of when to inform relatives about a prisoner's health under prison rule 19. That should happen when a prisoner is seriously ill, it says, which authorities seem to interpret as "critically ill," it says.

The report says the "web of secrecy" around the prison system has made it impossible to investigate allegations of deaths from brutality or deprivation of proper medical care.

Among some 47 recommendations, it calls for the release of terminally ill prisoners as early as possible, a right to the integration of the prison medical service with the health service; a widening of the prison act so that prisoners' families are selected on the same basis as those of the general public; a law to make it binding on coroners to hold inquests where a person dies in custody.

Deaths in Prison, by Roger Garry (National Council for Civil Liberties, 186 Kings Cross Road, London, 75p inc p and p), says

Heart unit at Harefield must stay, panel says

By Our Health Services Correspondent
The future of the heart transplant unit at Harefield Hospital, West London, which was threatened under proposals from the London Health Planning Consortium last year, seems more secure.

A panel of cardiologists and physicians, set up by the North West Thames Regional Health Authority last April to look at Harefield, has come out strongly in favour of its continuing there.

The panel was asked to consider whether other patients at the hospital were suffering because of the transplant programme and to make recommendations in the light of the Government's transplant advisory group's views.

It concluded that other patients had not suffered because the number of people waiting for cardiac surgery and the length of waiting time had been reduced.

Its members, under the chairmanship of Professor John Goodwin, professor of cardiology at the Royal Postgraduate Medical School, Hammersmith, disagreed with the Government's transplant advisory group's view that heart transplant should take place at kidney transplant centres.

Its report, which is going to a meeting of the regional health authority next Monday, says that the unit, which has carried out 12 transplants, should aim at between 12 and 15 a year.

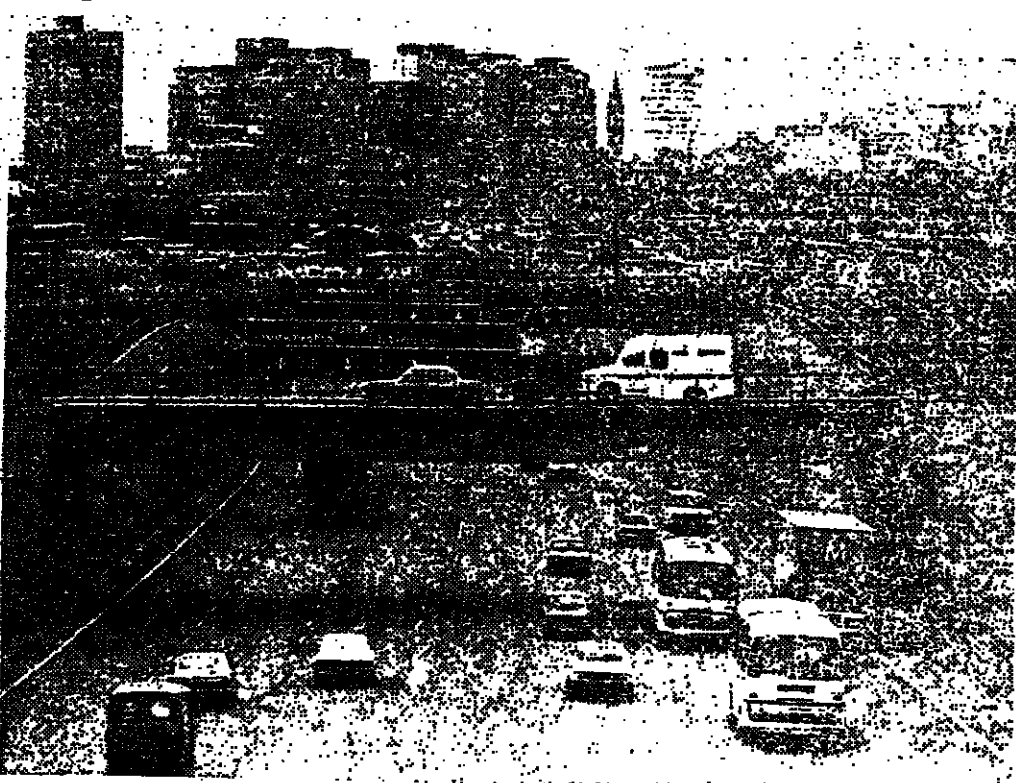
The disfigurement of Britain, 9: Roads and traffic 17 years after the Buchanan study Reshaping may bend the streams but the flooding remains

By John Young
Just north of Oxford, by the side of a roundabout from which main roads diverge in all directions, is a service area for motorists and their vehicles. It is like almost every other place of its kind, a sprawl of car parks, petrol station, cafe, shops and stalls, reeking of oil fumes and fried food, loud with the noise of juke boxes and slot machines, where those who like that sort of thing are at liberty to linger.

But let the private motorist drive down the Woodstock Road into the ancient city, and he will quickly become aware that he is unwellcome. Signs warn him to keep out of the bus lanes which seem to run everywhere, and in the central area he is confronted by an array of no entry signs and cul-de-sacs that appear to have been designed to make it all but impossible to cross from one side of Oxford to the other except on foot.

The contrast aptly illustrates our ambivalent attitude to the motor car. Seventeen years after Sir Colin Buchanan published his famous study, *Traffic in Towns*, we have yet to decide whether cars and, even more, heavy lorries are a menace that threatens the fabric of our buildings and the health and safety of our citizens, or a necessary concomitant of progress and prosperity which it is in everyone's interest that we should seek new ways to accommodate.

In some places the Buchanan message about reshaping was taken all too literally, in Glasgow, for instance, and in Birmingham, which, it is proudly claimed, has the most advanced urban road system in Britain.



The Aston Expressway, which links the M6 with the centre of Birmingham.

cities must be replanned, reshaped and rebuilt to accommodate it.

Among other large cities which suffered similar treatment were Bristol, where the central district is surrounded and isolated by a one-way system widely regarded as an environmental disaster, and Sheffield, which just does not seem to have any shape at all any more.

Elsewhere the tide of opinion

turned against Buchanan before anything much was done. In London, for example, there are only isolated bits and pieces of what were originally intended to be no fewer than three concentric motorway rings.

Nothing better illustrates the confusion with which planners have approached the whole subject of traffic than the question of parking. In the 1960s the prevailing view was that the way to prevent congestion was to provide plenty of off-street parking space.

In the last decade the general opinion seems to have been that the provision of parking space simply induces more people to use their cars. Companies have frequently been discouraged from providing car parks for their employees, and thousands of newly planted meters have been torn up.

Of course there are no easy solutions. But it is curious that so little money has been spent on the development and improvement of public transport and that bodies like London Transport are starved of funds, while no thought seems to have been given to the idea of restricting or penalizing the hundreds of thousands of commuters who travel by car because it is not only more convenient but often cheaper.

It is strange that, unlike most other European countries, Britain does not insist that commercial deliveries are made in the early mornings or late evenings, also that an understaffed force of traffic wardens is encouraged to punish motorists for trivial parking offences and to turn a blind eye to serious violations which cause damaging congestion.

In that field at least British planners attending tomorrow's conference on urban renaissance at Lancaster House, organized by the Council of Europe, may discover that they have something to learn from their Continental counterparts.

Concluded

Society votes to issue suicide guide

By Richard Ford
A booklet detailing five ways to commit suicide is to be published by Exit, the Society for the Right to Die with Dignity, by the end of the year.

The decision was overwhelmingly supported by 500 members who attended the society's annual general meeting in London on Saturday. A new committee in favour of printing the 30-page pamphlet was elected.

Despite a member of the society threatening to take High Court action to prevent publication of the pamphlet, entitled *A Guide to Self-Deliverance*, the decision to produce it was taken, according to Mr Nicholas Reed, the general secretary, with opposition from only 10 people.

Among those elected to the committee of 12, who later this month will look at the typescript of the booklet, was Lord Beaumont of Whitley.

Mr Reed is confident that the members will be unanimously in favour of producing the guide, which will be available to people who have been members of Exit for three months or more, although the society risks prosecution under the Suicide Act, 1961.

Nationality rule 'hard on husbands'

By a Staff Reporter
The Commission for Racial Equality has attacked the Government's proposed nationality law for not making it easier for foreign husbands to join their wives in Britain.

In a statement submitted to the Home Office last week and published yesterday, the commission welcomes the proposal for sexual equality in the acquisition of nationality through marriage.

But it says that, in practice and because of immigration rules, it will still be much more difficult for a foreign husband to become British compared with a foreign wife.

Under the existing rules, entry is given to a husband only if the bride or one of her parents was born in Britain. An entry certificate is then issued for 12 months, during which the husband has to satisfy the Home Office that the marriage is genuine. Foreign wives or fiancées do not have to overcome those hurdles.

The commission says: "This very convenient, capricious and unequal treatment of citizens will adversely affect a disproportionate number of citizens who are non-white."

Nuclear waste in Cheviots scheme opposed by MP

By Our Planning Reporter
Test drilling to discover possible sites for the storage of nuclear waste was yet another example of the exploitation of the north of England, Scotland and Wales, Mr David Clark, Labour MP for South Shields, said yesterday.

He was speaking at a rally near Wooler, Northumberland, organized by the Ramblers' Association to protest about an inquiry due to open at Newcastle upon Tyne next week. The inquiry is into an appeal by the United Kingdom Atomic Energy Authority into the refusal by Northumberland County Council to grant planning permission for drilling in the Cheviot Hills.

Mr Clark said that to dump nuclear waste beneath the crust of the earth had dubious scientific justification. To dump it in the Cheviots was an act of aesthetic vandalism comparable to the smashing of the Mona Lisa or the amassing of the Elgin Marbles.

Prosecution over 'Romans' play unlikely, QC says

By Kenneth Gossling
Mr John Mortimer, QC, the arriser and playwright, said yesterday that he was "quite sure" Howard Brenton's *The Romans in Britain* could not be prosecuted under the Theatres Act, 1968.

Mr Mortimer, a member of the National Theatre board, made the comment after a violent reaction to the play, which features scenes of auditory attempted homosexual rape, when it entered the national repertoire last week. Officers from Scotland Yard's theatre squad expected to attend a performance of the play this week after a complaint by Mrs Mary Whitehouse.

The Greater London Council, which is expected to discuss the play at a meeting on October 28, could decide to withhold part of its £500,000 grant to the National.

Any prosecution cannot take place without leave from the Attorney General. Under the Act a performance of a play is deemed to be obscene if such as to tend to deprave or corrupt persons who were likely, having regard to all relevant circumstances, to attend it.

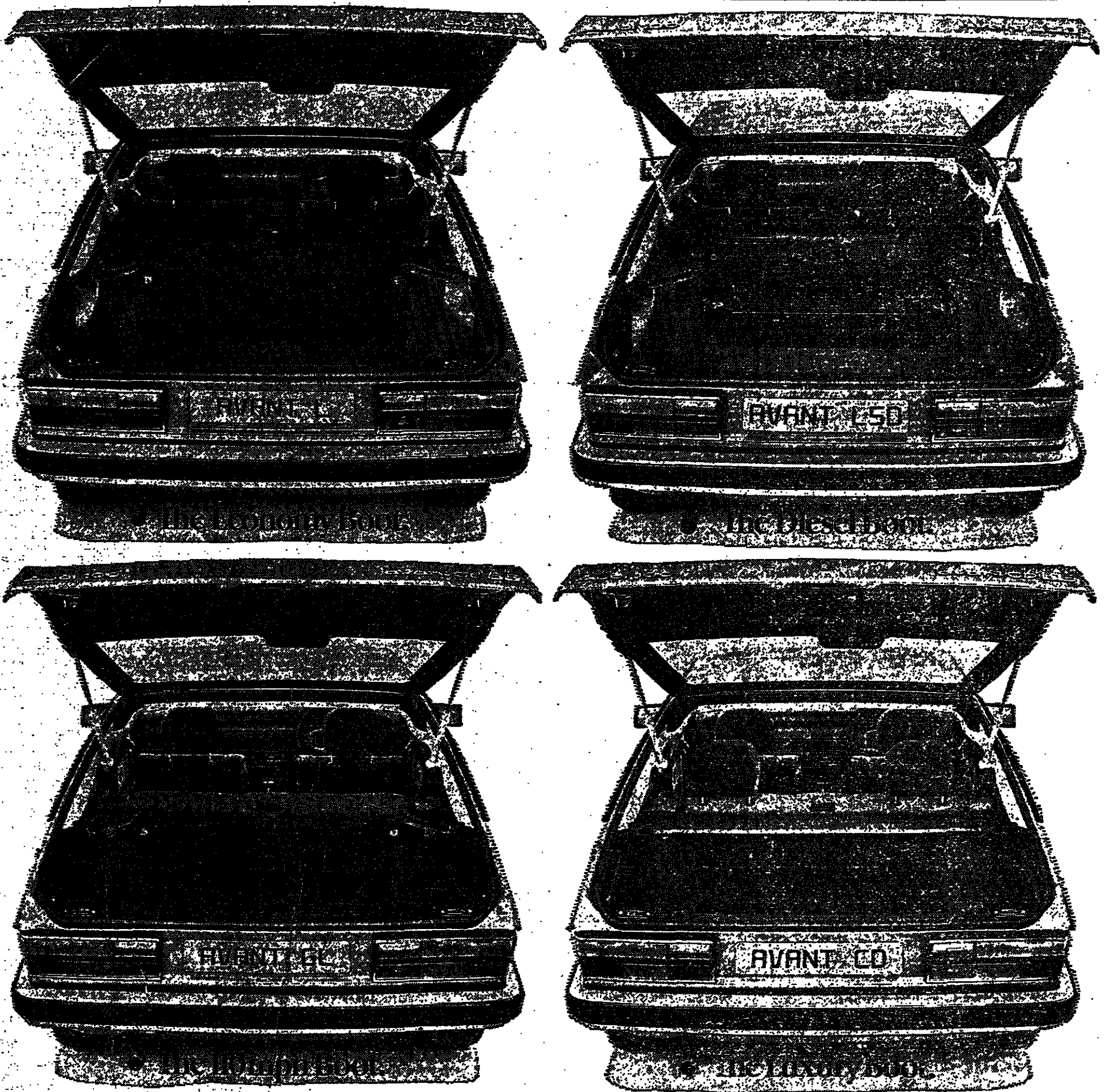
"There is a defence of public good, if it can be proved that the giving of the performance was justified as 'being for the public good on the ground that it was in the interests of drama, opera, ballet or any other art, or of literature or learning'."

The same which caused the greatest uproar (although few members of last week's audiences are said to have walked out) concerned the attempted homosexual rape of a druid by a Roman soldier.

Mr Mortimer commented: "Having seen the scene, my opinion is that it would not be prosecutable. It would not depict anything in anybody except feelings of extreme horror and aversion."

A National Theatre spokesman confirmed that bookings for the play, to be given again next Friday and Saturday, with six performances next month and three in December planned, were brisk.

He said the dialogue made it abundantly clear that the homosexual rape did not actually happen.



These boots were made for driving.

Behind its sleek exterior the Audi 100 Avant shares some of the characteristics of a furniture van. With its rear seat forward, it has 39.3 cu ft of load space (which compares very favourably with the Rover 2300's 35.4 cu ft).

Even with its rear seat up and five people aboard, its 15.3 cu ft boot is larger than many conventional saloons. Here, however, all resemblance to a utility vehicle ends. The rest is all car, and a driver's car at that.

The 1.6 litre Avant L gives you 100 mph and 38.7 mpg at 56 mph.

The 2 litre L5D diesel was acclaimed by *What Car?* magazine as "probably the best of the big diesels under review," with a top speed of 95 mph and a 0-60 time of 15.9 seconds.

Not bad for a car that returns 45.3 mpg at 56 mph. The 110 mph GL 5S has bronze-tinted windows, front and rear fog lamps, headlamp washing system, deep-pile carpeting and velour upholstery.

While the Avant CD 5E is simply a 115 mph luxury express, with automatic transmission, electric sunroof and windows, central locking, power steering, servo-assisted brakes, cruise control et al.

If you're looking for a car that drives like a dream and carries like a truck, go and look at an Audi 100 Avant. You'll find it fits you like a glove.

The Audi 100 Avant.
Audi The car for now.

HOME NEWS

Government guilty of censoring prison letters, report says

By Lucy Hodges

A report being drafted by the European Commission of Human Rights is expected to find the United Kingdom guilty on four counts of censoring prisoners' mail.

The findings, which result from six prisoners' complaints to Strasbourg in the past four years, coincide with a new government commitment to reform the prison rules.

No public statement has been made and the Home Office refused to comment yesterday on the proposed changes. But it is understood that government lawyers told the commission that changes were being negotiated. The Home Office said they had nothing to do with the European test cases.

The best known of the prisoners who complained was Mr. Michael McMahon, who was released in July after serving more than ten years for the murder of a Luton sub-postmaster, of which he has always maintained his innocence. Mr. William Whitlaw, the Home Secretary, has recommended the Queen to remit the remainder of the sentence.

Mr. McMahon complained that letters he sent to the BBC asking for transcripts of programmes about his case were stopped. One of the prison rules (the rules are officially secret) is that inmates may not write letters to anyone they did not know before they went to prison.

Another letter Mr. McMahon wrote, to the Archbishop of Canterbury, was also stopped initially because the prison

officers did not realize that the Archbishop is a member of the House of Lords.

The rules state that prisoners may write letters of complaint only to members of either house of Parliament or to their solicitors once their grievances have been ventilated internally.

It is understood that both sides failed to reach a "friendly settlement" in these cases and that the Government will be found in breach of Articles 6, 8, 10 and 13 of the European Convention on Human Rights.

Article 8, for example, says that everyone has the right to respect for his correspondence and that public authorities should not interfere with that right unless public safety is at stake.

In its submission to Strasbourg the Government said that under the new rules prisoners will be able to write a letter of complaint to someone other than their solicitor or a member of the houses of Parliament; and they will be able to air grievances without the need for an internal inquiry.

Solicitors for the six prisoners said the new rules did not go far enough. They argued that letters should not be read at all, except for prisoners in certain categories, and that there should be a mechanism whereby prisoners could challenge the censorship of letters, such as a prison ombudsman.

"There is a wall of secrecy around prisons which allows abuse to go on and censorship is all part of that," one of the solicitors said. He called for the prison rules to be approved by Parliament so that they would be open for all to see.

Police board 'cannot redress complaints'

By a Staff Reporter

The Police Complaints Board has proved to be an ineffective instrument for dealing with serious complaints and failed to satisfy the public demand for an independent system of investigation, according to a statement today by Justice.

The document, which is being sent to the Home Secretary, says that the board cannot provide a way to gain redress for those who have suffered loss or injustice through the unlawful conduct of a police officer. "Under its present constitution the board is powerless to help the complainant and perhaps the most disturbing aspect of its report is that, because of this it is entirely devoid of any power to discipline police officers as opposed to the interests of the complainant", Justice, which is the British section of the International Commission of Jurists, says.

The memorandum, which has been prompted by the triennial review report of the Police Complaints Board and the Home Secretary's request for suggestions for reform, says there must be an independent element on the board.

The commonly invoked and commonly accepted argument that only police officers can investigate police officers is a

dangerous and misleading half-truth," it says.

"It is an undeniable fact of human nature that some police officers will be motivated to improve or minimize the complaint."

Justice says that often people are forced by the police to withdraw their complaints.

The board should set up a panel of independent investigators into complaints that police malpractice, such as assault, has brought about a miscarriage of justice. The panel should assess the complaint before it is sent to the Director of Public Prosecutions.

The most serious weakness in the system is that cases involving a criminal offence by a police officer have to be referred to the DPP. If the DPP decides to prosecute, the board cannot recommend disciplinary proceedings and the person complaining is deprived of any redress.

It recommends that statements taken in the course of an investigation should be sent to the legal adviser of the person complaining. He will then be able to decide whether to appeal to the Home Office.

Observations on the Triennial Review of the Police Complaints Board (Justice, 252 Chancery Lane, London WC2, 50p).

Habeas corpus writ sought for accused wife

Lawyers will apply to the High Court today for a writ of habeas corpus on behalf of a woman charged with murder who is being detained in cells below a town hall because of the prison officers' dispute.

Ms. Nasim Akhtar, aged 35, a mechanic, is charged with murdering her husband, Ilam Din, aged 30, at their home in Folly Lane, Leeds, on July 15. She was brought to the Risley remand centre last Thursday for an appearance before Leeds magistrates and remanded in custody for a week. But prison officers refused to return her to the remand centre and she has been detained in over-crowded cells at Leeds town hall ever since.

Ms. Akhtar had to be taken to Leeds Infirmary for medical treatment. She was then returned to the cells.

The application on her behalf will be made at Leeds Crown Court.

Bust bought in Clapham for £240 may fetch £100,000

By Geraldine Norman

Sole Room Correspondent

A marble bust of Pope Gregory XV attributed to the great seventeenth-century sculptor Giovanni Lorenzo Bernini, is to be auctioned by Sotheby's on December 11.

It was bought by its present owner, Mr. Nicolas Meinertzhagen, in an antique shop in Clapham, London, for £240. Sotheby's staff are cautiously speaking of a price exceeding £100,000.

The story of the bust's discovery, first published in *The Times* last January, has proved of considerable embarrassment to Sotheby's, which included in Christie's sale of the contents of Swinburn Hall on behalf of Lord Lanesborough in October, 1978, when it was sold for £85 to a Clapham antique dealer.

Then it was described as a "white marble bust of a pope" with no date for attribution, the inference being that it was a bit of rather unfashionable Victorian. Lord Lanesborough's solicitors have been putting pressure on Christie's to compensate him.

Mr. Meinertzhagen's curiosity about the pope's identity led to

Hospital staff threaten kitchen siege

A hospital management made emergency plans yesterday to feed patients as workers threatened a kitchen siege.

The 93 catering staff at Walton hospital, Liverpool, locked themselves in the kitchens in a dispute over bonus payments. They said they would barricade the doors if the management tried to bring in volunteers.

The catering staff worked themselves in the kitchen to provide meals for the 630 patients at the 760-bed hospital.

Mr. Eric Heffer, Labour MP for Walton, visited the kitchens yesterday and suggested the management should withdraw the threat of ending the workers' bonus scheme in January and that the staff should return to work while talks continued.

Mr. Peter Farrell, a cook who is the union shop steward, said: "We shall stay in the kitchen as long as is necessary to get a settlement."

WEST EUROPE

Renovation is the French way to halt inner-city blight
Paris lives at expense of suburbs

A Campaign for Urban Renaissance is to be launched this week at a conference in London organized by the Council of Europe. Inner-city decline has caused concern in Britain for some years. This report on Paris by Ian Murray is the first of four articles on European cities.

Two wide strips of concrete and tar ring central Paris. Inside them live 2,300,000 people and at least a million dogs and cats. Outside them are the suburbs where a further 6,200,000 "almost-Parisians" have their homes.

The strips of concrete and tar form the twin carriageways of the *Peripherique*, the orbital ring which serves the city. It is also an essential drain for the huge volume of traffic which converges on the city.

The essential difference between central Paris and a British city is that it is a place which people live, rather than one to which people commute. Hundreds of thousands of people travel into the centre every day, of course, but they do not outnumber the residents.

This means that central Paris is always burning at the seams, with a density of about 1,300 residents to the acre. It means that land is too precious and expensive for houses with gardens, while apartments sell at between £800 and £2,000 a square yard.

The scarcity of available property has been perpetuated by one of the first measures passed by President Giscard d'Estaing when he took office nearly seven years ago. Horrified at the effect on the Paris skyline of the tower-block built at Montparnasse, he made it illegal to build high-rise blocks.

For the foreseeable future, therefore, the Paris skyline will

not alter very much, with renovation rather than rebuilding prevailing.

Nearly 80 per cent of central Paris was built before the start of the First World War, most of it in the days of Haussmann, who levelled large tracts of the old city to make way for the great boulevards which so much characterize the city to this day.

Haussmann decided on the wide boulevards because as Prefect of Paris he was responsible for law and order. In an age which expected street scenes to be a source of having roads wide and straight enough for guns to shoot down.

His masterpiece was, however, largely concentrated on the west end of the city, and this is nowadays still the better class area, where the flats are larger and more expensive. The farther east one travels in the city the cheaper and scruffier the property becomes.

Two notable and controversial planning decisions are in the course of changing the old heart of the city. The first was to build the incredible modern Beaubourg museum. The second was to pull down the old market of Les Halles.

Whatever the architectural merits of the projects they have had the effect of making the area fashionable and hastening renovation work on very old property. In turn this has put the price of accommodation, well beyond the means of the poorer workers and prostitutes who used to live in the area.

Migration to the suburbs by the true working class Parisian has been going on for some time and job prospects, much improved, spearheaded by the taxi drivers who today rarely live in the city they know so well.

In the past, more ambitious people from all over France, drawn by the capital's reputation and job prospects. Much

as the nobles of Louis XIV were drawn to Versailles.

Paris is not a good place in which to be very young or very old. There are few parks, and those that are, are overcrowded while walking on the grass is strictly forbidden.

To some extent this unsatisfactory way of living for young people is behind the fact that crime in Paris is far and away higher than in other French cities, with 122 offences reported each year per 1,000 inhabitants. The high cost of living is a factor in pushing up the crime rate, and also explains the noticeable number of beggars and *clochards* in the streets and in the warm corridors of the Métro.

Public transport on the other hand is a Paris virtue. The Métro system links the centre to the outer suburbs in half an hour's journey. The bus service, thanks to a comprehensive set of bus lanes, is often much faster than a private car would be.

The other joy of living in Paris is the corner shop and market. The butcher, the baker and, more than likely, the candlestick maker, will all be found within a short walk. The same holds good for restaurants and, to a lesser extent, the cinema and theatre.

The inner-city problems familiar in other great cities are less evident in Paris simply because they have been exported out to the suburbs.

It is in the great, unlovely housing estates which soak up the dirt from the motorways leading out from the city, where despair and poverty really exist, where violence breeds and unemployment is growing.

The *banlieues* of Paris have to pay the high social price of living not quite inside the city with the most aggressive jobs *de vivre* in the world.

Next: Athens.

Riot squad officer held after killing

From Mario Modiano

Athens, Oct. 19

Nato's Defence Planning Committee is expected to meet in Brussels within the next 48 hours to consider the re-admission of Greece to the military structure of the North Atlantic Alliance.

The Greek Government initiated yesterday that it had accepted in principle the latest version of the formula for the reintegration, which was elaborated by General Bernard Rogers, the Supreme Allied Commander Europe.

Turkey's acceptance of the Rogers formula was confirmed. It is, however, inferred—first, from the fact that the Greek side made the decision public after being briefed by General Rogers on his lightning trip to Ankara last Friday—and secondly, from the fact that the meeting was held in a room which was not the usual meeting place for the Defence Planning Committee.

Mr. Haouari Ben Muhammad, aged 17, a national French citizen, was killed during a riot in connection with the CRS (Compagnies Républicaines de Sécurité) and taken into custody, judicial sources said.

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Reentry of Greece into Nato imminent

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Blockade goes up round Dutch nuclear plant

From Robert Scholt

Amsterdam, Oct. 19

Thousands of demonstrators protesting against the use of nuclear power have blocked the road leading to the Borssele nuclear power station protected by 3,000 policemen. According to spokesmen of the demonstrators, they will maintain their presence until the reactor is closed down.

The demonstrators said this afternoon that 30,000 people were taking part in the demonstration.

In an attempt to head off the blockade Mr. Gijb van Ardenne, the Dutch Minister of Economic Affairs, held a public discussion last Wednesday with leaders of the anti-nuclear action groups.

The discussion, which lasted an hour and was broadcast live on radio, broke down when the minister accused the action groups of "striving for totalitarian solutions".

The power station, which is situated on the Waal river, near the village of Dodewaard, has been transformed into a fortress. The area around the power station has been completely sealed off with barbed wire. A few demonstrators attempting to cut through the rolls of barbed wire were stopped.

The demonstrators who are blocking the three access roads leading to the power station say that they will keep anyone from entering or leaving the plant until it is closed down.

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OVERSEAS



Two Algerian brothers salvaging bedding from the ruins of their home in El Asnam.

Bulldozers clear El Asnam rubble

El Asnam, Oct. 19—With hope

of finding more survivors beneath the rubble, bulldozers have launched a mass attack on the ruins of this former city, which was ravaged by an earthquake nine days ago.

Heavy earth-moving equipment rumoured from dawn till dusk clearing thousands of cubic feet of shattered concrete and twisted girders. Mixed in with the ruins are the household belongings of the people who used to live in the buildings.

The work goes on before the dim light of dawn, and the faces of men, women and children who lived through the

most terrible natural disaster in Algeria's modern history.

The final count is not complete yet, but the death toll may run as high as 20,000. Some 40,000 injured people have been taken to hospital, and 400,000 remain homeless, though some have found temporary shelter in tents.

There are still not enough tents, though the Algerian Red Crescent has set up 7,000 during the past week. Another 30,000 are needed, despite the airlift and international aid pouring into Algeria.

The situation is even more dramatic in some isolated

villages, where the earthquake crumbled houses, changing riversbeds and filled in wells.

But in general the effort of survivors continues to improve.

Mr. Muhammad Ali Rajai, Algerian Prime Minister, told President Ben Ali Cheddli of Algeria on a visit to El Asnam. Mr. Rajai said he was on a stop-over on his way home from New York.

There was speculation during his stay in Algeria, issue of the American hosts "might" be discussed.

Algerian embassy, however, Iranian interests in Washington.

—Agence France-Presse.

Big welcome for Polish strike leader

Cracow, Oct. 19—Mr. Lech

Walensa, president of the umbrella organization of independent Polish trade unions, Solidarity, received a rapturous welcome as he toured southern Poland today, but the authorities tried to clear the streets of the thousands of demonstrators who stood in the way of legalizing his national workers' union.

Addressing about 6,000 people in Cracow market square, Mr. Walensa promised to complete his tour of southern Poland when he led a labour revolt in the Baltic port of Gdansk to the right to form free trade unions.

Mr. Walensa said boycotts of official publications would be called before the end of the year. "Strikes are not our goal," he said in answer to a question on whether Solidarity would call a strike tomorrow to protest at Warsaw's slowness in legalizing the organization.

Solidarity, which expects to enrol six million members, has still not been legally recognized by the Warsaw courts.

Mr. Walensa said his union would be the first to be legally registered from among the 17 unions which he said would be formed.

Cardinal Stefan Wyszyński, the Primate of Poland, yesterday declared his support for the new independent trade union.

Cardinal Wyszyński met with Mr. Walensa and his wife in his private chapel and told them: "I am with you."

Meanwhile, PAP released a statement stating that diplomatic representatives from several Western countries, including the United States, West Germany and Britain, had been summoned to the Polish Foreign Ministry to be told that their countries were meddling in Poland's internal affairs.

Mr. Walensa said he would be in Warsaw next week to begin talks on establishing a joint committee with the government to discuss the Helsinki security conference next month, at which the communist bloc will be pushing for its proposal for a European conference on military disarmament (Dessa Trevisan writes from Warsaw).

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OVERSEAS

Moscow promise to Mr Karmal to keep troops in Afghanistan until opposition has been crushed

From Michael Binyon, Moscow, Oct 19

The Soviet Union has given President Karmal a written undertaking that it will keep its troops in Afghanistan until opposition to his Marxist government has been crushed.

In a joint statement signed by Mr Karmal and President Brezhnev, the Russians said the people and government of Afghanistan could count on Soviet help and support. There was no question of Moscow contemplating any military settlement or called for a change of government in Kabul.

The statement, signed at the beginning of President Karmal's official visit, does not add anything to the treaty of friendship concluded between the Soviet Union and Afghanistan in 1978, and appears to be little more than a normal joint communiqué issued during such visits.

But the deliberately heightened "emphatic" of its language, the timing and content of President Karmal and his government and the emphasis of Soviet support clearly intended to show the world that the Russians are going to back Mr Karmal or make any compromise to settle the East-West crisis over Afghanistan.

The statement calls for a political settlement to improve the international climate. But it says the only proposals Moscow and Kabul will look at are those put forward last May, when Afghanistan called for a coalition of the East, West and Islam.

The proposals insisted on the recognition of the Karmal regime and an end to all support for the insurgents. They were to be taken up in Tehran or Islamabad.

The statement on Thursday said there could not be any talk of a possible Soviet withdrawal from Afghanistan until Kabul's proposals were accepted, support for the insurgents ended and guarantees were given that "subversive actions" against the Afghan Government would not resume.

A Kazakh newspaper commented today on the explicit nature of the statement, suggesting the sooner the world—and especially Pakistan—understood "the fullness of attempts to dictate to the Afghan people what government it should have and what way of development it should choose, the faster peace would return to the area."

Pravda admitted that the revolution was going through a "head time" and said the country had to deal with wide-spread and well-organised attempts by China and the West to overturn the revolution's gains.

But in spite of continuing opposition by the insurgents, things were gradually returning to normal. In a comment which succinctly sums up Soviet determination to stick it out, whatever the cost, the newspaper added: "Time works for the new revolutionaries. Afghanistan."

President Karmal probably insisted on explicit expression of Soviet support to bolster his weak position, he has said, and to show the Russians were ready to drop him.

The joint statement said Mr Karmal had invited President Brezhnev and Mr Alexei Kosygin, the Prime Minister, to visit Afghanistan and they had both accepted. But in view of Mr Kosygin's illness and the fact that Mr Brezhnev now seldom travels abroad, neither is likely to go.

A statement of personal endorsement is symbolically important to President Karmal and for the government, and this is the point of his visit. The point has been underlined by the great publicity the Russians have been giving to his speeches and visits in Moscow.

Afghans face famine and disease

From Trevor Fishlock, Delhi, Oct 19

Hunger and disease on a large scale are threatening the Afghans. As winter approaches, a cumulative effects of land form failure, poor food distribution, military scorched earth policy and the migration of livestock will refugees, live the country in poor shape. An assessment of food supplies and distribution in Afghanistan, made by a diplomatic source in Delhi, concludes that there is a real danger of famine.

The implication of the assessment is that the Soviet Union has to act quickly to help the Afghans with food, also with drugs and medical services to combat the pestilence and the epidemic of cholera which are endemic in the areas.

Afghanistan used to be self-sufficient in food, the source says, but the land reforms brought in by the Haqqani Government and followed up by

President's Taraki, Amin and Karmal have not been successful. Fighting has caused disruption of food supply and led to the deaths of thousands of animals.

The Soviet military policy seems to aim at the creation of empty, or safe, zones round the big towns. These areas are being fenced and well cultivated, but the Russians have tended to clear them out and have removed cattle so that people are not inclined to return—and so there is no food for the mujahidin (holy warriors) insurgents.

The Afghans and the Russians themselves have publicly refused to food supply problems. Good quality wheat and rice are hard to get and prices of ordinary rice and meat have increased considerably. The Government has been making a big push to improve agricultural output.

A meeting of the Council of Ministers in Kabul on October 13 approved the distribution of 20,000 tons of Russian-donated rice to the provinces at a price of 18p a kilo. The normal price is between 25p and 40p a kilo.

The ministers also approved the free supply of wheat and oil to "patriots fighting the Russians" in the provinces of Kanduz, Tadjik, Balkh and Samangan.

It is clear from recent reports, including one made by a diplomatic source here today, that tension in Kabul is increasing and that the insurgents are becoming more active. More Russian soldiers and vehicles are on the move in the city and curfew has been extended by two hours, from 10 pm to 5 am.

Meanwhile Afghans continue to flee the country. The Government has issued a new passport was available at a price of £200, but omitted to say that those leaving the country must lodge a deposit of £500 against their return.



President Giscard d'Estaing examines an ancient statue of a warrior in the Quinshi Huangdi museum, Shanghai.

Prince wants UN-supervised Kampuchean poll

From David Bodavia, Peking, Oct 19

Prince Norodom Sihanouk has called for the formation of an international task force under United Nations auspices to supervise the holding of elections in Kampuchea.

The former head of state said after his meeting yesterday with President Giscard d'Estaing of France, who is visiting China, that only this would prevent the subversion of the proposed elections by the troops of the Khmer Rouge remnants, after the departure of Vietnamese occupation forces.

Prince Sihanouk expressed his appreciation for France's abstention at the General Assembly on a resolution to call for the withdrawal of all foreign troops and the holding of elections in Kampuchea.

But in a statement in Peking he said that "in no case and in no circumstances" would he consent to play any political role in his country's future.

Prince Sihanouk said it was his duty as a Cambodian citizen to criticize the total absence of a guarantee to assure the security of the Cambodian people.

The only answer would be to set up a strong international

armed force to replace the Vietnamese and guarantee free elections. "In addition, it is absolutely necessary to disarm all Khmers under arms and completely demilitarize Cambodia."

Tibet visit: President Giscard d'Estaing arrived tonight in Lhasa, becoming the first Western head of state to visit Tibet in 30 years.—Agence France-Press.

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Zimbabwe to introduce press curbs

From Frederick Cleary, Salisbury, Oct 19

The Zimbabwe Government is to introduce regulations to control the activities of journalists visiting the country. They will have to apply for temporary employment permits.

Dr Nathan Shamuyarira, the Minister of Information, said that this regulation was being taken to curb the activities of what he called "undesirable and irresponsible" foreign journalists.

He said many journalists wanted to make money by writing sensational and totally unfounded stories regardless of the truth. In the six months since independence the overseas press had painted a gloomy picture of chaos, impending civil war and continuing tension in Zimbabwe.

The South African press had been the chief culprit, the minister said, but he also criticized Mr Holger Jensen, the correspondent for the American magazine Newsweek.

Dr Shamuyarira said that when the Zanu (PF) Party came to power all restrictions on journalists were removed because the new Government believed in the principle of the freedom of the press. But because of misrepresentations and distortions of news, the Government would now introduce temporary employment permits for visiting journalists. The Government would then be able to know all about foreign journalists operating in the country and would be able to deny facilities to those who continued to misrepresent Zimbabwe maliciously.

The minister did not say when the new permit system would come into operation.

Peking control of culture condemned by activists

Peking, Oct 19.—Activists in art in China by rejecting "cultural autocracy and the control of culture by administrative decree".

Demands are increasing for a reduction of official controls on literary and artistic creation.

The activists said that, in addition to the foreign press, even official Chinese publications had reproduced some of the literary items they published.

Authorities recently adopted a regulation on publishing, laying down penal sanctions against publishers not officially registered.—Agence France-Press.

Immigrant control: Sir Murray MacLehose, the Hong Kong governor, left today for Laotian for talks with Chinese officials about illegal immigrants.

14 held at church in Soweto

Johannesburg, Oct 19.—Police today arrested at least 14 people attending a church service in Soweto to commemorate the third anniversary of a government crackdown on black and white critics.

Black organizations staged a series of commemorative services throughout the country to mark what they refer to as "Black Wednesday", October 19, 1977, when the Government banned 18 Black Consciousness and other groups.

A concert by Ray Charles, the American soul singer, that was scheduled to take place in Soweto today was cancelled. Reuter.

Thief swops glass for big diamond

Sydney, Oct 19.—Australia's biggest diamond was stolen from a jewelry exhibition here yesterday.

The diamond, valued at £250,000, was apparently stolen yesterday by a man posing as a workman who put a piece of glass in its place. The jewel once belonged to the Sultans of Turkey.—Reuter.

Prisoners of conscience

Robert-Jacques Thelisma

Caroline Moorehead, Robert-Jacques Thelisma, a 40-year-old, was arrested early in 1979 and held in detention in July 28 this year, when he was sentenced to a prison term of nine years. Imprisonment for having hatched a plot to overthrow the Government to "provoke a massacre" was the first political trial in this kind in Haiti for 20 years.

The evidence against Mr Thelisma, and three other defendants, Ulrich Desiré, Gus Colas, and Emmanuel Noël, was to have been slim.

In the trial, the prosecution had no material evidence, small explosive devices, but did to connect them with the defendants.

The person who had allegedly tried the "plot" did not appear, nor was evidence presented of an attack or of collusion to carry one out.

Four defendants denied charges, and Mr Thelisma said that he had been tortured with electric shocks while in detention.

The defence lawyers not only stated that the evidence was too circumstantial to be believed, but contested the legality of the court, since it was presided over by just one judge, and of the required panel of three.

Western International takes view that Mr Thelisma and three other defendants were not for involvement in alleged plot, but for their political beliefs.

Writ against Mr Muldoon over 'Princess' film ban

From Our Correspondent, Wellington, Oct 19

A senior executive of the New Zealand Broadcasting Corporation, Mr Robert Muldoon, the Prime Minister, for \$724,000 (£16,000) damages in a defamation case brought in connection with the banning of the British television film *Death of a Princess* in the country.

Mr Des Monaghan, the corporation's controller of programmes, has issued a writ against Mr Muldoon. The Prime Minister has responded by filing a statement of defence. The action arises out of a comment made by Mr Muldoon in July accusing Mr Monaghan of "suspect judgment" in allegedly recommending the film to be shown.

The corporation's nine-member board, which controls the two television networks of New Zealand, had decided unanimously on the basis of reports it had commissioned, but without actually seeing the film to ban the documentary.

Mr Muldoon remarked that he was happy with the decision though not with the reasons given for it. In his view, the board should have given more weight to New Zealand's international relations.

According to published reports, Mr Muldoon criticized Mr Monaghan and his superior, Mr Alan Morris, a network director-general, for recommending the showing of the film.

"I am somewhat disturbed that Messrs Morris-Monaghan, two executives of the television system, took a hostile view that this *Death of a Princess* should be shown. That makes their judgment suspect as far as I am concerned. It suggests they are simply interested in entertainment value and not in the wider aspect of their job."

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Solution of Belize future felt nearer

By David Spenser, Diplomatic Correspondent

Although little has emerged in public about the latest talks in New York on Belize, there is a growing feeling that a solution, which would end the long-standing dispute over the Central American colony, is getting closer.

Officials in London have been unusually reticent though it is not clear whether this is because progress is being made or the reverse. What is certain is that Lord Carrington, the Foreign Secretary, has been speaking of "a sense of urgency" in resolving the issue. As was seen in the larger colonial problem of Rhodesia, he has a way of getting things moving.

On the face of it, the two sides, Britain and Guatemala, Belizean representatives, including Mr George Price, the Premier, are always at the talks—remain as far apart as ever. The essential difference between them is territorial: the cession of Belizean territory, such as Guatemala has been demanding, is out of the question, as has been repeatedly made clear.

Claims made at the United Nations General Assembly recently by Señor Castillo Valdes, the Guatemalan Foreign Minister, were as unyielding as ever. Guatemala could not accept, recognize or permit the granting of independence, unilaterally to Belize, he said, by the colonial power.

However, the Guatemalans would be unlikely to press their case too hard at the United Nations, for the good reason that on past performance they would be the losers. The argument that Belizeans are entitled to self-determination puts Britain in an unassailable position, from the standpoint of international opinion.

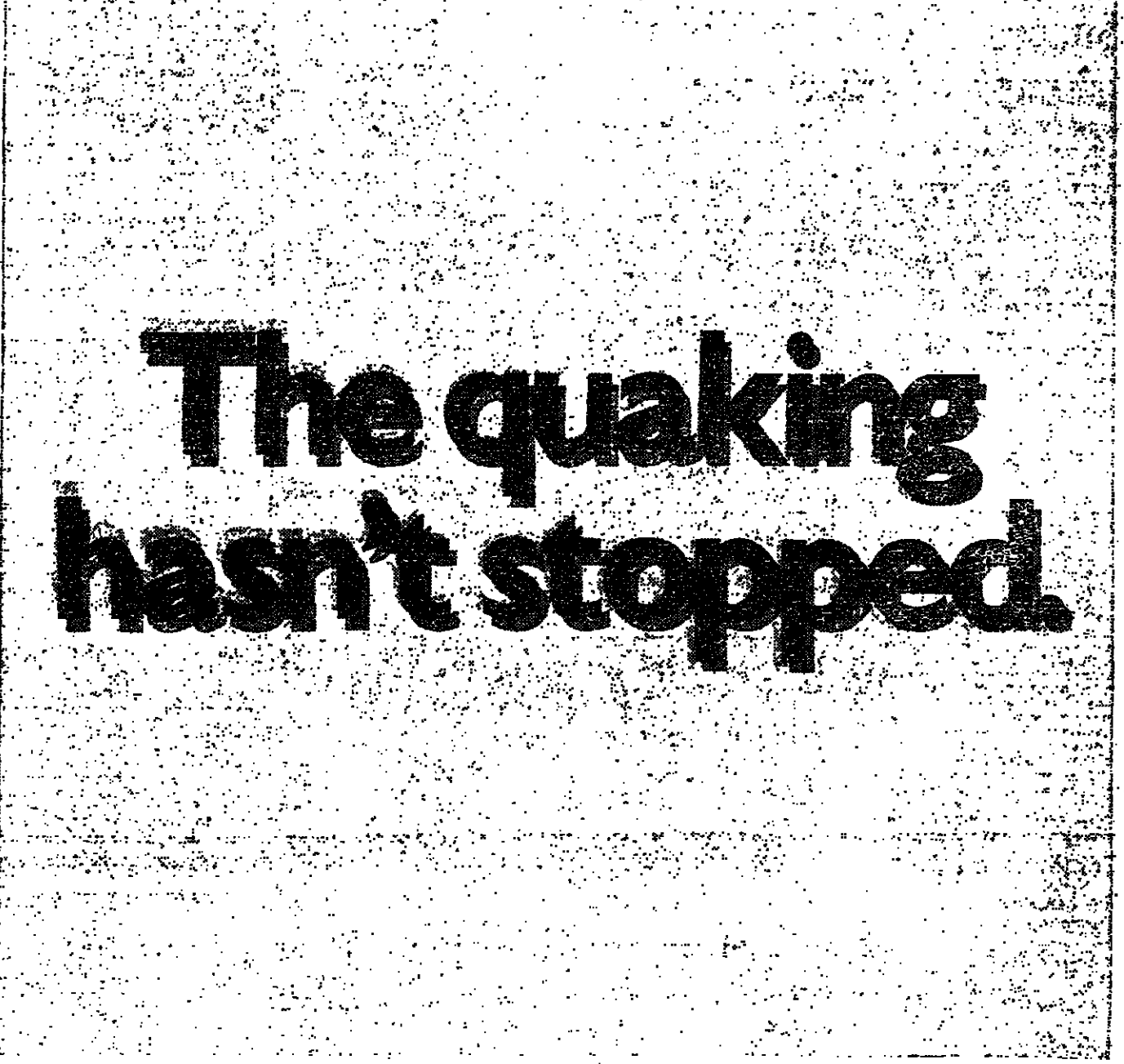
No doubt well aware of this, Señor Valdes said that the United Nations has no role to play in Belize and that Guatemala could not accept any resolutions which had been, or might be, passed on the subject. Señor Valdes and Mr Nicholas Ridley, the British minister, seem to have reached a good personal rapport. Despite his harsh words in the assembly, Señor Valdes also expressed Guatemala's willingness to negotiate sincerely, in seeking a "conciliatory formula".

While the way has yet emerged of closing the circle between Guatemalan demands for territory and Belizean rights, it is understood that the talks are to continue, which indicates that some real issues are on the table.

The United States, which until now has kept very much on the fence, may be leaning towards the British view that the solution should be reached within a reasonable time.

Nine police shot: Left-wing guerrillas shot dead nine policemen in a series of attacks in Guatemala city in the past two days, police said.

Three were killed when their police-box was machine-gunned from a passing lorry. Police said 20 propaganda bombs exploded in the city yesterday scattering left-wing leaflets.—Reuter.



The quaking hasn't stopped.

Lounging toll of violence across Uganda

Charles Harrison, Oct 19

At least 10 people, three of whom were killed by the city authorities to do more to help restore normality in Kampala, where more than 2,000 people are believed to have been murdered in the past year.

The Government says it has regained control of most of the areas in the West Nile District that were occupied by rebel groups earlier this month.

But scores of civilians, mostly from the Acholi tribe, have been killed in attacks in different parts of the country. Members of the Acholi tribe in Gulu, northern Uganda, have been hunted down and killed people who come from the West Nile. Further unrest has broken out in western Uganda where members of the Bakonjo and Bamba tribes living in the Kuvuonzi mountains (the mountains of the moon) have distributed letters telling members of the adjoining Toro tribe to leave the area or be killed.

At the weekend the Government announced the suspension of 14 district commissioners, including those in Kampala and Jinja, for "security reasons". No other explanation was given.

Local sources said an unprecedented move resulted from incidents connected with preparations for the general elections, due on December 10. Registration of voters is already well behind schedule and many believe that the polling date will have to be postponed.

Quest for peace in Chad ends in failure

Lomé, Togo, Oct 19

An attempt by African leaders to work out a ceasefire to the civil war in Chad ended in failure here today.

A "peace conference" organized by Togo and held under the auspices of the Organization for African Unity, opened in Lomé yesterday, with representatives from Sierra Leone, Congo and Guinea attending.

The conference briefly brought together the two leaders of the warring factions in Chad, President Goukouni Oueddei and Mr Hissène Habré, his former defence minister.—AP.

Within hours of Algeria's earthquake disaster, Christian Aid had put £35,000 at the disposal of the emergency services there for medical supplies, blankets and tents.

And we had negotiated the airlift of further supplies as well as warm clothing and high protein food from London, Copenhagen, Bremen and Amsterdam.

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I enclose cheque/P.O. or please debit my Access account for £

My Access Card number is

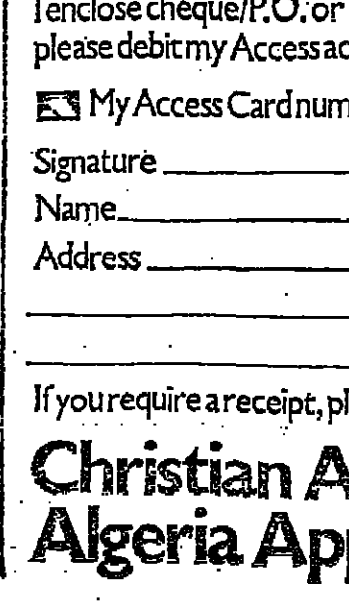
Signature

Name

Address

If you require a receipt, please tick box. ☐

Christian Aid Algeria Appeal



The Office of Arts and Libraries distributed a booklet,
'The Arts Are Your Business', to
industry and commerce in June. This report examines
its theme that funding the arts can
benefit sponsor as well as recipient, and the implications
for business, the arts and the public

Sponsorship, patronage or just plain charity? Industry still has a number of ways of viewing and describing the money it gives to support the arts. The beginning of the matter is that the funds usually came from that small and generally private part of the company budget set aside for the arts. The arts were in the same category as a donation to the local hospital or a new swimming pool for the school. Money was dispensed at the chairman's or managing director's discretion.

Almost pure philanthropy, requiring no honourable mention, does still exist. Some exercise it for fairly practical reasons, among them a desire not to be perceived by beggars either through the back of the hand or the post. There is also a real, and understandable, fear among companies, particularly those of makers who know very little of being associated with the wrong sort of event. Seven or eight years ago quite a large proportion of the small amount of sponsorship money available to the arts was £250,000 in 1973 compared with an estimated annual £4m now—was going on "unsuitable" events. The backwash came swiftly. The artistic fringe charged the company recipient to the sufferer, a

decision it by and large still holds. The available money went more and more into sport, which provided plenty of publicity in terms of the local competitions, and though some of its commentators had certain qualms about the number of companies and products they were mentioned, the sponsorship money is at present about £30m a year, also allowed plenty of opportunity for entertaining the Severn. Some of those who still reserved some of their money for the arts began insisting on being associated with agreeable companies, and the potentially disagreeable one—Opera was the first—to reap the rewards, led by Glyndebourne and Covent Garden. The press of the respective chairmen, Lord Charles in Sussex and Lord Drogheda and later Sir Claus Moser in London, was such both at home and abroad that it created a jealousy. Certain American houses, which on the whole are used to drawing their support from wealthy private patrons rather than the public, began to openly crack at seeing themselves beaten to the available money.

Although a good deal of financial support was being drawn from the public, approaching another, the day of the quid pro quo was at hand. A number of companies began looking at the money they were drawing from the money they were spending on the arts apart from mere good will. In some cases it was considered a matter of image and public relations, and the repayment of a social debt.

The cigarette manufacturer

have always been among the most generous and BAT's £90,735 in August to the Philharmonia Orchestra spread over the next two years, is the largest sum so far given so far gone from industry to the arts. Others have decided on a policy of supporting the local team, the team by which (UK) with its Milford Haven refinery to the Welsh National Opera (£250,000, spread over five years) and the Scottish National Opera. The banks, which are also considerable spenders and are usually not too affected by the vagaries of the economy, tend to have potential customers: Midland helps to cut prices for the youthful audience at the National Garden Frons and Lloyds Bank the National Youth Orchestra.

The question to whom to give the money has tended to move away from the chairman's desk to the corporate affairs director or the chief public relations officer. It might even be a matter for the marketing director and for tax reasons be debited to his budget. Outside, the companies themselves there have sprung up a number of "spending guidance" counselling the chief of staff of the Association for Business Sponsorship of the Arts.

ABSA, which now has almost a hundred members, advises on channeling the money to the right place and makes a very good job of it; next month, with Prince Charles in attendance, it will make awards to the sponsors of the year. In addition to the three or four private brokers who act as medi-

diemen between industry and the arts, putting the one side in touch with the other and taking a fee, sometimes a flat sum and sometimes a percentage for their services, there are some, though, who believe there should be no necessity for such counsellors and that the theatres, orchestras and galleries should have enough money to make their own approaches. Sadler's Wells, for instance, which since the departure of its opera to the Coliseum, has to depend heavily on commercial support, makes it quite clear what it can give in return to anyone philanthropic enough to back one of its productions.

At the other extreme there are those who feel it wrong for state-subsidised organizations to have to beg for our money. Sir Peter Hall reckons that the nation's duty to support the National Theatre and seeks sponsorship on only the most modest scale.

The modern approach might not please Lord John Stevas who is looking for industry to provide £10m for the arts by 1982. This is a highly optimistic figure, particularly since the present estimate of £4m could well be about a million above reality. Rather than run too fast it might be advisable to try for a more equitable spread of what the various visual arts are distinctly undernourished—without destroying the absolute right of every sponsor to put his money where he or she wishes.

John Higgins
Arts Editor

left: members of the Janet Smith Dance Company performing at the 1979 Yorkshire Dance Festival. Sponsors of the festival included the Yorkshire Arts Association, Marks & Spencer, and the English and Yorkshire and Humberside tourist boards. Top right: of the horses of San Marco is lowered from the Basilica in Venice. The horses were on show at the Royal Academy last year in an exhibition sponsored by Olivetti. Above left: Sam Dalton, Yoshi Kobayashi and Sheila Beecham, the latest prize-winners in a sculpture award scheme for art students. The scheme is chiefly sponsored by Hereditas, a Cumbrian company of bronze casters. Over right: Patricia Cahan, violinist, takes her bow after winning the 1980 Mozart Memorial Prize, sponsored by Royal Doulton.

Seek, and you will be funded

sponsorship by Artists and was a prime mover in developing the Association for Business Sponsorship of the Arts. He is also the only public relations consultant sitting on the Government's Committee of the Arts and the Council of the Arts, set up earlier this year by Mr Sir John Stevens.

"Any decision to sponsor the Arts obviously has to take many heads," he says. "It also makes sense to approach the governing bodies of the various artistic centres to discover where their particular needs are greatest."

Mr Seagram's task to be seriously considered and, he thoughtfully underlines, for companies are responsible to their employees and shareholders for the benefits that sponsorship management has to see positive return in terms of goodwill, publicity aid, in the last resort, profit.

"Part of the motive is—or should be—the publicising desire to contribute to the cultural and social life of the nation. I say 'nation' because sponsorship often makes it possible to reach outside London where it tends otherwise to be too heavily concentrated."

Mr Bill Kallaway at one time worked for W.D. & H.O. Wills, is now employed in the late 1960s in their sponsorship of the London Philharmonic Orchestra which continues to this day. In 1972, in the result of the arrangements, he might wish to embark on sponsorship but were unfamiliar with its mechanics, he founded his own firm, Kallaway, (Consultants and Management) and relies on this type of operation.

Kallaway acts both for arts organizations seeking sponsorship and for industrial companies seeking arts to sponsor. Among projects for which they were the catalyst was the ending of the Arts' sponsorship of the Bournemouth orchestras and the Leeds International Piano-forte Competition.

They also arranged sponsorship of the Scottish National Orchestra by the oil company, Esso. Oil contracts, covenanted over seven years, General Accident (over £100,000) to include a nationwide tour of 20 concerts; a recording of Mahler's Fourth symphony and orchestra consisting of 100 new works for the orchestra's Musicale More festival next year; and the Bank of Scotland (£25,000) for a series of promenade

continued on page 11

For the past two and a half years, the arts and leisure research unit of the School of Management Studies, Polytechnic of Central London, has been examining business sponsorship of the arts. The study, which is funded by the Galleanian Foundation, the Social Science Research Council and the Ernest Cook Trust, is concentrating on sponsorship of the performing arts. Questionnaires were sent to all known performing arts organizations in the United Kingdom (483 theatres, 125 festivals, 304 repertory companies and 275 music and dance companies). A 40 per cent response rate was achieved.

Sponsorship was defined for the purpose of the study as a "financial outlay with some form of material benefit as its primary justification." Performing arts bodies were requested to state the amount they received from commerce and industry during the fiscal year ending April 1979. An element of patronage as opposed to sponsorship must be accepted in all the figures.

The response indicates that business sponsorship for the performing arts totalled £4m in 1978-79. The arts that received most, as shown in chart A, were theatres (26.2 per cent), festivals (25 per cent), opera companies (20 per cent) and symphony and chamber orchestras (18.7 per cent). Theatres and festivals took the major share, clearly because there are many more of them.

The success of opera and orchestras was chiefly achieved by a small number of organizations attracting significant amounts of sponsorship. For the most part, these sponsorship operations were highly professional often employing a full-time sponsorship officer.

Repertory and dance companies, brass bands and choruses only managed to capture 10.1 per cent of available sponsorship. Repertory companies appear to be active in their pursuit of sponsorship, albeit at the lower end of the scale.

The dance sponsorship category was dominated by one recipient company, the London Festival Ballet; the

Royal Ballet is not included in this category, since it has not proved possible to separate its sponsorship figures from those of the Royal Opera Company. Several brand names are looking for sponsorship, because of a cut in industrial support and increased costs.

Chart B divides the total amounts received by individual arts organizations into four categories. The largest is of those companies attracting between £2,500 and £5,000 (total received, £15m); it consists chiefly of small and medium-sized arts organizations which generally employ a wide range of marketing techniques, including a prepared sponsorship brochure to obtain results.

The £25,000-£70,000 category (total, £650,000) is smaller because it takes a considerably greater amount of skill and professional assistance to obtain the same amounts.

The over-£70,000 category consists of only a handful of large, business-like arts organizations.

However, the smallest category, companies attracting less than £2,500, is made up of the largest number of arts bodies—two thirds of all those who received sponsorship. This means that 90 per cent of the sponsorship available in 1978/79 went to performing arts concerned. It therefore suggests that business sponsorship of the arts is unevenly distributed, and that most of the funds go to the more successful arts organizations.

The study also reveals the simple and startling fact that those who seek sponsorship usually find it, especially if they properly define their aims and objectives and approach companies and industry with well-documented cases.

Almost 65 per cent of all

BUSINESS SPONSORSHIP OF THE PERFORMING ARTS

A. Arts categories.

Category	Amount (£)
Theatre	1,050,000
Other	260,000
Orchestras	78,000
Opera companies	300,000

(a) Includes repertory companies **(b) Repertory companies include the Royal Ballet, English Ballet, English Opera, etc.**

performing arts organizations claimed to have sought business sponsorship, and the majority gained something from the exercise.

Building a sponsorship network can take up to several years. Its success will largely depend on the ability to make personal contacts and interest business in a product.

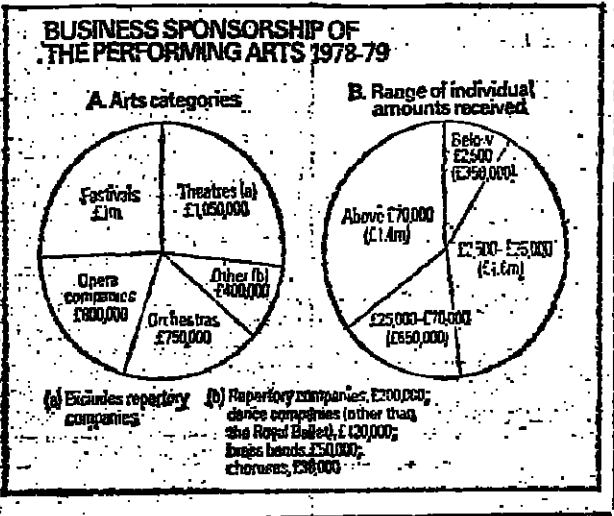
More than 80 per cent of all performing arts bodies indicated that more help was needed in obtaining sponsorship. This suggests that existing facilities might be reviewed and expanded.

Last, arts organizations should have no fear that commerce and industry wish to infringe on their artistic license. About 90 per cent of all respondents answered "no" when asked if a sponsor's or potential sponsor ever attempted to influence their artistic policy. The remaining 10 per cent indicated that for the most part, discussions were friendly and constructive.

If the performing arts are to survive in the present economic climate, they must sell their products not only to potential customers, but also to potential sponsors. Sponsorship is a marketing philosophy which can be of assistance to both the arts and to business.

There is no reason why the two should not live happily together. There is much to be gained and nothing, in the way of artistic integrity, to be lost. But sponsorship must be energetically sought. The building of a network of personal contacts should be viewed as a long-term investment. The rule is: Ask, and you shall be given."

Henry A. Goldberg
Lecturer, School of
Management Studies,
Polytechnic of Central
London



“We, the undersigned, would never have made it without sponsorship.”

George Frederic Handel
Garrigue
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THE SPONSORED ARTS

Minister takes on role of fund raiser

On holiday in Italy this year, the Cabinet Office and Mr Norman St John-Stevens himself is doing the 200 or so miles first and foremost Chancellor from Venice, where he was Lord of the Duchy of Lancastria, to Sreza to catch the eye of the House of Commons.

First, lest there should be any misapprehension, he indicated the Government's role, which it accepts, as the chief financial provider for the arts. This was as it should be, he said, and was not inconsistent with the government policy of rolling back the frontiers of the state in the industrial, commercial and economic world.

He was saying, in fact, that there were certain areas where the state had to maintain its support because nobody else could do it.

But this is not all: he is anxious that there should be help as well in at least two other areas—crafts and films—and he explained his thinking to me in his office in Whitehall. There is no brass plate to identify the Office of Arts and Libraries but then this is primarily or

policy—it is a matter for the artists and the institutions concerned," he said.

What in practice he is faced with when there is a general reduction in government expenditure is that, like everything else, the arts budget comes under review and it is an extremely difficult position to maintain, in the face of 19 or so of your colleagues all having to give up cherished projects, that the arts should be totally exempt.

"It is difficult to say there should be room for considerable growth in real terms in arts expenditure. So how in practice does it work out? One has been able to keep the situation as regards the Arts Council more or less stable, allowing for inflation and any increase in real terms."

"Now I am looking to the private sector for increased support on the grounds, first that it is a good thing for the arts to have two sources of support rather than one—that increases freedom; and, second, that it is right to go with the

grain of the Government by reducing taxation and encouraging private enterprise, and thus one would expect the private sector to be able to do more for the arts," Mr St John-Stevens continued.

The campaign, still young, had had very considerable success, he said. Membership of the Association for Business Sponsorship of the Arts (ABSA) had doubled and examples of business rallying round were the Turner Gallery, made possible by cooperation between the Government and the Clive Foundation, and the large sums in support for music put up by firms such as du Maurier, Barclays Bank and Gulf Oil.

Glynedebourne, he pointed out, has no Arts Council grant and was very much supported by private enterprise.

"I think," he reflected, "that I've become a sort of fundraiser rather than a minister. And we took a break while he carefully took down instructions by telephone on how to work his video cassette recorder."

In June he set up a special advisory committee of people engaged in book, film, television, radio, and the arts to show the scope there for some books that are published. Apart from sponsorship, he is helping the country to see that the arts are under way—the British Library public leading right (something he would campaign for with the Theatre Museum and a resolution of the problem of Somerset House, where he would like to see a combination of pictures and furniture on display).

His own cases in the arts have been fairly well publicized, especially the harp in the bathroom. He goes to the theatre as much as he can. Literature, in which the theatre is part, is out of the question. He has a great love of the harp, and plays it as much as possible. He has a piano, the organ and, of course, the harp—none of them very good.

At an early age he played the harp, and always came in too early. Having done so since that up he is now helping the drum to support a cause he regards as immensely important to the cultural vitality of the nation.

Kenneth Gosling
Arts Reporter

HARVEYS and the arts

HARVEYS of Bristol are one of the largest commercial contributors to the arts in Great Britain. Such support is in keeping with the Company's long-standing wish to assist in the artistic life in Bristol, where Harveys have been based since the eighteenth century, and to support the arts in a wider sphere.

Over the past five seasons in Bristol, Harveys have presented the entire series of Bournemouth Symphony Orchestra and Bournemouth Sinfonietta concerts.

The Company has supported the Bath Festival for many years, sponsors major contemporary music concerts each year at the Arncliffe Gallery, Bristol, and a further local interest is theatre: Bristol Old Vic productions sponsored by Harveys include *The Seagull* (1978), *Twelfth Night* and *Cressida*, *The Recruiting Officer* (1979), and *The Tempest* (1980). In 1978, Harveys issued a comprehensive guide to the arts in Bristol.

Harveys recognise a responsibility to support the arts in a wider sphere than in Bristol alone. Apart from supporting the Bournemouth Orchestras in London, on overseas tours and in various regional

centres, they sponsor the triennial Leeds International Piano Competition which is acclaimed internationally as one of the leading music competitions in the world.

The Company's other principal involvement in music is the sponsoring of the Bournemouth Sinfonietta with an eight-record series of music by well-known and lesser-known English composers for RCA, and a new six-record series on the EMI label. The RCA records include music by Elgar, Delius, Vaughan Williams and Grainger, and three were awarded the 'Record of the Month' accolade by Records and Recording. The EMI series was launched in 1979 with two records of music by Delius, followed by a highly acclaimed record of Concertos by the 18th Century English composer Charles Avison, and an album of four pieces by Malcolm Arnold featuring flautist Richard Adeney. Completing this series will be records of music by Vaughan Williams and Elgar, due for release in 1981.

In 1978, Harveys of Bristol received an Association for Business Sponsorship of the Arts Award under the category of the Best Corporate Sponsorship Programme.



Carmen's factory should remain a fiction

Sir Roy Shaw, secretary-general of the Arts Council for the past five years, is all in favour of the arts being sponsored by business. His only reservation—and he chooses his words with care, since this is a sensitive subject—was that the same times disproportionate acknowledgment given to commercial companies when they sponsor arts events.

"A very small contribution from a business sponsor can be advertised in such a way that it gives the impression that the sponsor has given a large amount or has even covered the total costs of the operation," Sir Roy said.

However, the council has spoken to the Association for Business Sponsorship of the Arts and to its own clients and they believe there is now a much better understanding of the need to acknowledge support by both businesses and the Arts Council.

"Questions of taste are also raised by sponsorship," Sir Roy said, "and recent developments in the sports world give some reason for concern."

"Sponsors are very keen to secure shirt advertising on the football field but we trust that good taste will ensure they will never seek it or equivalents in the theatre or on the opera stage. It would, for instance, be going beyond the bounds of good taste if the tobacco factory in Bizet's *Carmen* were to be identified with one of our leading cigarette manufacturers; the name emblazoned in large letters."

Sir Roy has tried constantly to put over the message that the arts are for everyone; and to this end he appointed an education officer to activate the arts and educational worlds at all levels—from schools

through to adult education—to collaborate in making the arts more widely accessible.

He also realizes the great potential of the fourth television channel. What remains to be done is to harness television to make its proper contribution to the achievement of the arts for everyone's goal. Television is, in the best sense of a much misused word, a wonderful popularizer.

"I think the Arts Council should have closer links with the broadcasting world. I personally have many informal links with it but I hope the forthcoming fourth channel will, with its emphasis on using programmes from independent producers, lead to a more formal link between the council and the fourth channel executive."

Mr Edmund Dell, chairman designate of the fourth channel executive, is equally keen that there should be sponsorship by business of programmes put out on the channel. But there are as yet legal problems to be settled in the case of, say, concerts sponsored in collaboration with and directly transmitted by the service as opposed to those sponsored independently and then broadcast.

The council's own arts film section already sells many of its films to television. The recent highly successful one on Stanley Spencer shown on BBC2 was an example.

Sir Roy identifies *The South Bank Show* as the independent television network's major arts contribution. It has not, he says, otherwise given enough time to the arts and this was noted by the Anna Committee in its report on broadcasting in 1977.

"But they (the independent television companies) no idea we gave it so much as a penny when we actually give it £7m a year."

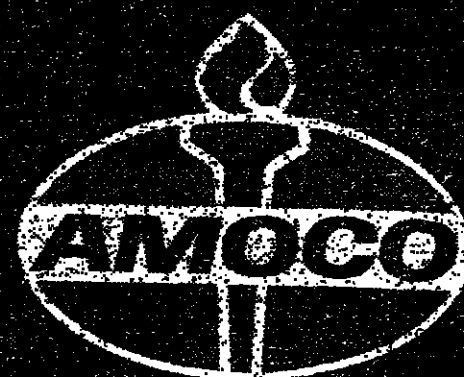
With this kind of ignorance, Sir Roy said, "This is why once there was, and still is, the fourth channel gives inadequate awareness in the public at large of the extent of the Arts Council's activities in its arts field, and I think we ourselves are largely to blame. It is a unique and very important task increasing accessibility to the arts through the country, which is a Charter'd duty of the council, and further to shift the emphasis from the metropolis to the regions. Royal Opera House who had."

"And it has seemed, for reasons I was never able to discover, that the Arts Council had done very little about its other main Charter'd duty—to develop and improve the knowledge, practice and understanding of the arts," Sir Roy said.

The Arts Council has its critics, certainly; but it still has many friends. In an article in *The Sunday Times* Mr Melvyn Bragg called the council "the most effective and successful arts funding organization in the world."

K.G.

Look for the torch.

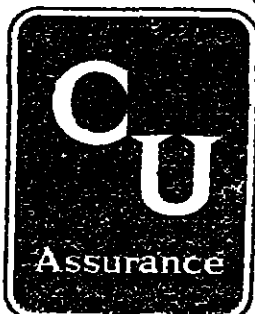


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Self-help is AIM

The United Kingdom and Commonwealth branch of the Calouste Gulbenkian Foundation has announced a new project, Arts Initiative and Money (AIM), as part of its "self-help in the arts" programme.

The object of the project is the encouragement of joint or individual efforts within the arts community to mitigate the effects of cuts in public subsidy, while increasing the understanding of other support mechanisms.

AIM hopes "to identify, support and monitor new and innovative ideas for the effective management and funding of the arts, gathering and disseminating information on successful schemes". It will concentrate its efforts on the management and marketing of the arts and on the improvement of public understanding of their funding needs.

An advisory committee of 14 artists, administrators and business people has been set up. It is to be chaired by Mr John Last, an executive of the Littlewoods Organisation and a member of the Merseyside County Council, the Arts Council and the Press Council. The coordinator of the project is Elizabeth Rice.

The project will be backed with a substantial proportion of the branch's £250,000 arts budget. It will proceed simultaneously with the foundation's support for individual artists and its efforts to encourage the integration of arts with work and leisure activities.

Richard Sachs

Herring Son & Daw
Music

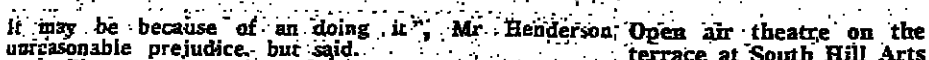
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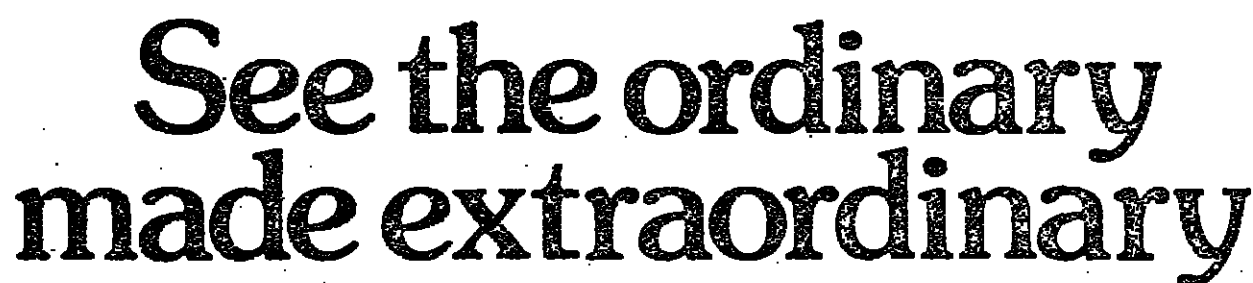
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Getting it right

you'. I say that to show that ABSA is not here simply to raise money for the arts, come what may.

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That's one reason we sponsored "Edward Hopper: The Art and the Artist" and why we hope you'll see it. In our business, as in yours, we need to be reminded that the material of greatness is all around us if we have the courage to strip it bare and see its meaning. And that all we need is individual imagination, individual creativeness, individual innovativeness. Sponsorship of art that reminds us of these things is not patronage—it's a business and human necessity.

at the Hayward

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When business pays the piper, who calls the tune? Sam Heppner reports



Let's define our terms," said Joanna Brendon, director of St John's Smith Square, which was at one time a church but is now firmly established as one of London's leading concert halls. "We always understood that to sponsor was to underwrite or guarantee against loss or offering. This is something we should welcome greatly because we need £75,000 for new stage and lighting. Many of our concerts are put on at an inevitable loss: we have to pay musicians' Union rates, and even with a full house we now won't recoup our costs. Two years ago, when we celebrated our 250th anniversary with a 10-day festival of concerts, BAT Industries underwrote two of the concerts and the company took care of the rest. That was sponsorship, one kind, an example of another kind was when ICI gave us £5,000 for a concert to keep the change. "Sponsorship is not central to art. Art would thrive without it, but it is enormous help."

The declared aims of the International Festival of Youth Orchestras and Performing Arts (IFYO) are "to bring together with a common cultural purpose, youth from different countries, varying socio-economic backgrounds, different religions, races and colours, and with varied political ideologies... with music and the performing arts as the common interest and motivation."

Mrs Joy Bryer, IFYO's founder and secretary, general, said: "A lot of people have the wrong idea about sponsorship. Because it originated with sport, they think that every sponsor wants to see his name on television or in neon lights. People think maybe we play Viennese waltzes only because the sponsor cannot take Mahler. Perhaps some sponsors apply pressure, but it has never happened with us."

"IFYO tends to come at the bottom of the sponsorship list because of a feeling that things like Shakespeare plays, Covent Garden and the famous orchestras must have priority. But there are some very good examples of sponsorship on a smaller scale. Thanks to an Aberdeen businessman, a gifted young Polish pianist has just arrived to study at one of our academies; and two young violinists from Soweto are coming over for lessons at Dartington. This will cost £5,000 for each student. We found the money by approaching 200 businesses with interests in South Africa."

Mrs Bryer's organization is also responsible for the European Community Youth Orchestra. IBM (Europe) has supported it this year alone to the extent of \$318,000.

It costs £12,000 a week to show pictures at the Royal Academy to a million people a year. The academy has no government grant. Sponsorship is therefore essential to its survival. According to the President, Sir Hugh Casson, "we would never set our costs back-in gaze money alone."

The Friends of the Royal Academy, who pay £10 a year, already number 25,000 and Sir Hugh would like to see even more. However, as Friends are entitled to free admission to the gallery—and to bring a companion—as often as they like, the type of sponsor who guarantees an exhibition against loss is apt to look a little askance at an increase in their number.

"Think what it means for a sponsor to have the use of this gallery," Sir Hugh said. "He can entertain his staff or give a great dinner party in this large, beautiful room."

"Yes, we have had our minor arguments with sponsors about the design of posters, the size of lettering for credits and so on, but everything has always been settled amicably, in a spirit of give and take."

George Christie, chairman of Glyndebourne Productions, regards sponsorship as "an indispensable part of the business of the performing arts, particularly in the sphere of private enterprise. It covers 10 to 15 per cent of our costs. That may not seem very much, yet take it away and we should find ourselves £100,000 or £150,000 light."

But, according to Mr Christie, there must be complete integrity on both sides. He told me of a potential sponsor who laid down the condition that Glyndebourne should perform a certain opera of his choice and engage a particular conductor for the occasion.

"It was not on," Mr Christie said. "We could not accept that kind of dictation. Besides, it would have upset our existing team of conductors."

Martyn Gelf, director of the National Book League, claims that, for a comparatively modest investment, those who award literary prizes do extremely well in terms of the resulting publicity. He notes with satisfaction that the media generally feel no compulsion to veto references to the commercial organizations behind these awards. "It is difficult to see how they could. After all, the Booker prize is the Booker prize and nothing else."

The literary world has its own brand of sponsorship. Prizes and awards are given by several organizations, including W. H. Smith, Thomas Cook, Lloyds Bank and the Woolwich Equitable Building Society. Probably the most famous is the £10,000 Booker McConnell Prize for Fiction. Set up in 1968 and administered since then by the National Book League, the prize was originally sponsored jointly by Booker McConnell and the Publishers Association; the latter withdrew in 1974, and sponsorship is now the sole responsibility of the food and engineering group. The winner of this year's prize will be announced tomorrow evening: the odds are on either Anthony Burgess, for *Earthly Powers* or William Golding for *Rites of Passage*.

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Michael Kaye, general manager of the Royal Festival Hall since last February and a former public relations director of Carreras, Rothman—he helped to create the Peter Stuyvesant Foundation in 1962—is aware of the dangers of sponsorship as well as its advantages.

"An orchestra which comes to depend on sponsorship may find itself suddenly bereft of funds when there is a change in the structure of the sponsoring company or a new chairman is appointed with different ideas," he said.

"As a rule, the sums involved in sponsorship are not large compared to those applied to the total marketing operation, but one has to consider the reaction of shareholders. If a company has just laid off, say, 2,000 of its employees, it is obliged to take a critical look at its sponsorship policy."

"Some organizations seeking sponsorship make the mistake of approaching companies with merely a bald request for cash. They are likely to be told that the company normally supports a string of other charities and there are no funds left. They would stand a much better chance if they sought support for a specific project: a festival, a scholarship, an overseas tour, or a series of Royal Festival Hall concerts such as the ones now being sponsored by Harvey's of Bristol."

Mr Kaye, who was managing director of the London Symphony Orchestra from 1976 to 1979, said that he had never known of a sponsor dictating the contents of an orchestral programme, or interfering in any way.

Sir Claus Moser, chairman of the Royal Opera House, believes that Covent Garden is Britain's highest recipient of private funding. "We spend £13m a year," he says. "Five million pounds is taken at the box office, another £7m is provided by the Arts Council and about £500,000 comes from sponsors. I hope the scale of sponsorship increases and that there will be a change in the law making such contributions tax deductible as they are in America."

"Without government funding, Covent Garden would close down. But, in the private sector, sponsorship provides an opportunity for business to make its contribution to socially important activities. And I wish that local authorities were more enlightened. With the exception of the Greater London Council most of them are entirely Philistine."

"I believe," Mr Rogerson said, "that, wherever possible, there should be some kind of link between a sponsor and his beneficiary. If, for example, we had staged a play by Daphne du Maurier or some of those in which her father, Gerald, played the leading role, we might have approached Du Maurier cigarettes with the idea. That is why it would be nice if we could persuade Paul Toller to play something by a comparatively obscure Italian composer, Giovanni Battista Martini."

"Without sponsorship, all new productions would stop. We would not be able to produce new works such as the operas of Sir Michael Tippett, all of which we have commissioned," Paul Rogerson, general manager of the Chichester Festival Theatre, almost gushes at the mention of Martini & Rossi, its sponsor. Like many beneficiaries, the Chichester Theatre happily discharges the obligation it feels it has to repay its sponsor's open-handedness. That is why the name Martini & Rossi appears in all its advertising.

But there are unpredictable hazards for a theatre management on the receiving end of sponsorship. When Joan Collins played the leading role in *The Last of Mrs Cheesey* at Chichester, she was also seen advertising Cinzano on television commercials. Would Martini & Rossi mind? On the contrary, they were highly amused.

As Dr Roy Strong, director of the Victoria and Albert Museum sees it, sponsorship tends to mean the support of the performing arts. "Very little, if anything at all," he claims, "is done for museums. Companies will occasionally sponsor an exhibition at a gallery but that is all. I tried to find sponsors for an exhibition on Fabergé and another on court jewelry of the Renaissance, but couldn't. "Opera and ballet have stars, glamour, colour, and excitement, so they attract the money. Many businessmen have never been inside a museum. I prefer to look for overt patronage which is different—the sort of thing that Mondrian magnificently for us when they design and print posters and those beautifully produced museum guides that we sell. "It is time the commercial world realized that something else is going on, besides the performing arts—something that is in retreat and under attack."



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Peter Lay

When theory collides with reality

when he said: "America's economic strength is based on economic freedom. It is foolish to think that Hilda is wrong after all."

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unemployment which is prompting talk of the Commonwealth of Australia, egalitarian as in some ways it is, becoming two nations, the rich and the poor. Yet Australia is overpopulated Asian neighbours are demanding more seriously, such Mr. Lee Kuan Yew in the lead, that their cheap consumer goods, from cars to clothing, be given full access to the Australian market, particularly by a government that says it backs free enterprise and more *laissez-faire*.

Mr. Fraser, whose somewhat aloof and complacent line in the campaign has been criticised, has perhaps had a salutary shock. His strength is that he made no ill-advised promises, but he should not be lulled by his third victory. The Liberal Party and Country Party have been given a job to do, and their victory does not confirm them simply as the natural party of government. The boom in development will yield them no dividends unless, like manure, it is well spread. A stronger opposition will be demanding this, and in the Senate they may even face a contingent veto if the third party the Australian Democrats, hold the balance. They are pledged to fight for a cleaner public life. That is good. The election, which brought all the conservative lessons about Australia favourably placed—but the question is whether the quality of Australian politicians matches the opportunity.

to the Polish and other east European communities in the United States. It was hardly a substantial contribution to public discussion, but it was regarded as revealing of the man.

With the gap narrowing now between Mr. Reagan and Mr. Carter in the opinion polls, the television debate may once again tip the scales. This is more likely to come from one or the other making a foolish blunder than from any dazzling exercise of rhetoric or impressive command of the issues. But one should not be too dismissive of the art that the debates can play in making the campaign at least more serious than it would otherwise have been.

The present campaign has been disappointing to a large extent. None of the three candidates has aroused much enthusiasm or inspired much confidence. None of them looks well equipped to deal with the many problems that require effective political leadership at home or to restore the United States' sagging reputation in the outside world. The campaign has also been depressing for its failure to deal with serious issues in any depth. The sharpest controversy has been over whether the level of abuse directed by the President towards his principal opponent has been excessive. Mr. Reagan, in comparison, has emerged as a more reasonable man than many people had supposed without seeming to be more thoughtful than most had suspected. Mr. Anderson has been earnest without managing to make his case carry very far.

Every election campaign is bound to be as a horse race, and every campaign could also

ional change to create a wider electoral vote. What happens if the college produces someone incapable of commanding the support of either his or her principal front bench colleagues of the Parliamentary party? It could conceivably occur.

There are some experienced former Labour ministers who would be unwilling to serve either under Mr. Wedgwood Benn or Mr. John Silkin. There are many Labour MPs who would not be reconciled to the leadership of either, and they would follow their consciences with pausing to count the cost. An electoral college, whatever the form eventually applied, would more or less ensure that there would be more electoral distinction than the historic electoral disarrangement and Claude Mollard has one, it is a recipe for political impotence and electoral disaster.

By the time the Labour Party conference illustrates the gap between the so-called democratic vote of the electors and the elitist choice of the P.P. As an example, for donkey's ears Mr Frank Aulais has been appointed to the chair of the Conference. For years Mr Hugh Gaitskell was excluded. With few exceptions, for 20 years those elected to the NEC have been Parliamentary nobodies who no leader has dreamt of talking to. The only exception was that the only vote for treasurer became valid, the trade unionist Mr. Frank Atkinson comfortably beat Denis Healey, soon to be Chancellor of the Exchequer.

Of course the Labour Party argument not about more democracy at all, it is about rival plans of society: fundamentalism and gradualism. The argument between the rank and file and the party leadership is the same, between the militant majority between conference and the parliamentary compromisers. The argument is that succeeding Labour administrations have run on Socialist writ and have failed to create the root and branch socialist society that the rank and file try to bring into being.

From Labour conference delegates the party of the present has emerged. Messrs. Hugh Gaitskell, Harold Wilson and Jim Callaghan were certainly never fundamentalists, any more than Clem Attlee was, and they all did nearly as much to preserve the

would not only be right in itself, it would also be popular in the country.)
Yours, etc.
BRYAN MAGEE,
House of Commons, SW1.
October 17.

From Mr Keith Kyle
Sir, Mr Tony Banks reveals in his letter (October 17) exactly what is wrong with the quality and values of British public life. He fails to realize that his current diary entries completely give him away and condemn him to what he is written about the unrepresentative nature of party activists.

A person who is prepared to devote on what (I presume) he intended to convey was a typical example of the kind of party political work is by that fact alone unqualified to speak as a normal member of society. Not only that, but it is basically undesirable in a democracy for major policies should be determined at the grassroots by people who so utterly exclude the claims of family, hobbies, and other professional and leisure pursuits.

I would not wish to carry this to extremes. A conscientious citizen might well have, say, two diary entries a week on political matters, but unless he is an MP or a councillor more seems by definition to indicate extreme (or, at any rate, unrepresentative to an exceptional degree).

Mr Banks is so busy attending meetings that he has no time for television. That again is his privilege. I suggest, for example, for his scorn at the appearance on that medium of those leaders of the Labour Party who are concerned with reaching the millions of people in this country who constitute publishing and television's main results of elections.

Yours faithfully,
KEITH KYLE.
25 Oppidans Road, NW3.

From Mr Stephen Tunnicliffe

Sir, As a lifelong music lover, and now both a "home" musician and a "concert" player, most of whom will undoubtedly remain amateurs though I hope not "passive music-lovers", may I protest most strongly at Mr Ian Hunter's appalling idea (October 15) that the "creative" and "amateur" music groups and individuals?

One of the less desirable side-effects of Thatcherism seems to be this fanatical belief in the magical power of competition. How often we hear the sportsman, the artist, the creative and the creative arts, music in particular, the only true "competition" takes place within each individual participant? In my experience competitive festivals, music competitions, music societies, band musicianship, the subordination of music to technique, and set up false criteria for young musicians when they are at their most vulnerable.

It is a pity that the music of the 1970s, 1980s and 1990s, the writings of musicians, young and old, professional and amateur, drawn together not by a desire to compete but by a common love of music and music-making. Many of our musicians, young and old, feel that it is this in particular that makes such occasions memorable—an escape, however short-lived, from the professional rat-race or the dreary round of staid old-fashioned

...and I am so much gratified well for me by the naïve remark of an ardent competitor when someone named a fellow musician: "Oh yes, I've sung against her". God forbid that we should add yet another "I've sung against her" to the repertoire composed by Mr Hunter. It is my joy to be able to say, when a particular string player is mentioned: "Oh yes, I've made music with him (or

The Romans in Britain is a dramatic poem of considerable force and beauty. I think it will live in our theatre and grow in our minds: we owe the National Theatre a great debt for staging it. But those who have seen it or read it and think differently must be free to say so, passionately if need be.

What I hope can be agreed is that theatre workers and playgoers must make their own decisions and that threats of censorship, whether by Lord Chamberlain, local government or police, must be resisted. It is part of the business of theatre

to dramatize painful subjects that are of individual and social concern. This means audiences will experience danger and offence on occasion. If this is not permitted the theatre will wither. A theatre that is afraid of great failures will see no great successes.

Yours faithfully,
GEOFFREY STRACHAN,
Managing Director, Eyre Methuen,
11 New Fetter Lane, EC4.
October 18.

From Mr Michael Davison
Sir, At a time when the London theatres badly need larger audiences to fill them, it is especially sad to see paying customers walking out on a show before it is finished. Yet such was the reaction—not wholly incomprehensible—at a preview of the National Theatre's latest offering, Howard Brenton's *The Romans in Britain*. The same thing, albeit

on a smaller scale, happened at a preview of Alan Bennett's new play *Enjoy*: we have the leading lady Joan Plowright's own word for this in her interview in *The Times* on October 15.

It is no doubt healthy that playwrights today have free rein to express or depict almost anything that they can justify as dramatically appropriate. But does this justification apply in the case of either the seaside-postcard vulgarity of parts of *Enjoy*, or the scenes of sexual depravity in *The Romans in Britain* that would seem more at home on

the Keenerbahn than on the stage of the National Theatre?

How Brenton and Alan Bennett enjoy high critical regard as two of our leading contemporary playwrights. As such, they are writers to whom hard-pressed theatre managements might expect to look for the means of rescuing the theatre from the doldrums. It would be interesting to know what Messrs Brenton and Bennett see in their theatrical "shock tactics" as playing in this important task.

Yours faithfully,
MICHAEL DAVISON,
5 St Albans Road,
Kingston upon Thames,
Surrey
October 16.

Tackling juvenile crime

*From the Secretary of the
Magistrates' Association*

Sir, Lady Fairfull (October 16) takes a paragraph of 17 lines to list the organizations she speaks for, but this will not disguise the fact that she expresses a minority view in criticising the Government's proposals. While I welcome her proposals, I think magistrates greater powers.

It is no doubt right, as she says, that the most hopeful approach for most juveniles lies in the development of intermediate treatment programmes, but it cannot be ignored that there is grave public concern about the level of juvenile offending and there is little confi-

dence in the present system. It cannot be right that since the 1963 Act magistrates have been powerless to deal with the large number of offenders. Such a state of affairs can only bring the law into disrepute.

No one pretends that the measures proposed, or for that matter criminal sanctions, are the whole answer. But certain juvenile offenders require courts to make effective orders in a wider range of cases, and at least raise the level of confidence in the system. That is why the Magistrates' Association warmly welcomes the proposals and hopes that they will be implemented.

Yours faithfully,
 GEOFFREY NORMAN, Secretary
 The Magistrates' Association,
 18 Fitzroy Square, W1.
 October 16.

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BY THE FINANCIAL EDITOR

Australian markets after the election

News yesterday that the Liberal coalition has won the general election should help to underpin Australian shares. The Sydney market has been one of the best performing equity markets in the world over the past year with the All Ordinary index rising from 520 in August 1959 to 806 at the start of 1960 and within a whisker of 1,000 at the beginning of this month. For the last two weeks equities were increasingly worried as the opinion polls pointed ominously to a Labour victory.

Politics aside there have been growing signs that Australian shares, supported this year by the strength of natural resource and particularly oil stocks and the rediscovery of the market by overseas investors, were due for a breather. There has been a growing feeling that the mineral and energy stocks that led the boom may have become over-valued. The key here of course is mineral prices, gold included, which apart from oil have disappointed in the second half of the year as world trade and industrial production have slackened.

There have also been doubts, voiced both internally and by outsiders like the OECD, as to whether the economy can sustain the pace and that seemed to be underlined by a cautious August budget which kept a tight rein on monetary policy.

On a technical level too the yield gap between equities and bonds has become wide enough for many institutional investors to become more cautious. Despite the bouts of selling in recent weeks most of that seems to have stemmed from small investors rather than domestic or foreign institutions whose faith in Australia's political stability, the comparative underdevelopment of resources and the generally sound economic prospects of the Pacific basin remain undimmed.

Grindlays

A curious imbroglio

A curious imbroglio being played out between Lloyds Bank and Citibank, the second largest in the world, is slowly unwinding. At the centre is a tangled web of shareholdings in Grindlays Bank and Grindlays Holdings, the publicly quoted company whose only significant asset is a 51 per cent stake in the bank. Accessory players in the few of some observers are the Royal Bank of Scotland and its London clearing bank subsidiary, Williams & Glyn's.

Lloyds Bank owns 41.4 per cent of Grindlays Holdings and is by far its major shareholder. Citibank owns 49 per cent of the bank and has a management contract, officially and somewhat coyly called a "management arrangement" which runs out at the end of December. Two subordinated loan stocks, one in sterling one in dollars, worth one £25m also expire at the end of the year. The loans were arranged in the dark days of 1975 by Lloyds Bank with funds provided, it is believed, by both Lloyds and Citibank.

It is the approach of the end of the management contract and of the loan stocks that has set tongues wagging in the City. Various rumours have gone the rounds, including a persistent one, first floated in the summer, which suggests a rather inelegant carve-up of the Royal Bank of Scotland where Lloyds has a 16 per cent stake and the takeover of Williams & Glyn's by Citibank.

The connection with Grindlays of both Citibank and Lloyds Bank is largely historic. Lloyds first acquired shares in what has subsequently become Grindlays Holdings in 1920s after it swapped its Indian anchors for shares. Citibank got first involved in 1963 when it acquired a 40 per cent stake in the bank. This was raised to 49 per cent in 1975.

By 1975 in the midst of the secondary banking crisis Grindlays Bank itself had run to trouble because of the property lending of its merchant bank subsidiary Williams & Glyn's. Losses over two years amounted to £30m. This inevitably affected the bank, Citibank's management contract and the subordinated loan stocks. It was at the time that the management deal

would last between four to five years and next December marks the end of the fifth year.

It is not apparent what Citibank was hoping to achieve by going back in 1969. What is now quite clear is that Citibank would be a happy seller of its stake. Given the fact that Lloyds has a commanding stake in Grindlays Holdings, it would be a strange move for the only obvious buyer, unless of course both sides agree on a deal involving a third party. Lloyds would not mind buying Citibank out. The matter has already been discussed but, because of differences over price, the two parties are far apart. It is quite possible that Citibank looks on its stake with the rather fancy valuations



Mr Nigel Robson, chairman of Grindlays Holdings (left), and Mr Walter B. Wriston (right) chairman of Citicorp which holds a minority through substantial interest in Grindlays Bank.

applied to such deals in the United States while Lloyds, which has anyway the trump card, looks on it as of far more modest value.

Mr Nigel Robson, who came in as chairman of Grindlays Holdings after the crisis, would not like the tutelage of Citibank to continue after December. There are three full-time executives of Citibank working at Grindlays Bank, including the chief executive and the managing director. It now looks quite possible that after December, the management arrangement will come to an end though some of the Citibank executives might want, and be encouraged, to stay on as Grindlays executives.

The subordinated loan stocks will have to be renewed. With a free capital ratio of only 2.8 and a net income to assets ratio of 0.9 per cent, Grindlays is one of the least well capitalized of the dozen or so top British banks. This time the new subordinated loan stocks are likely to exceed the existing £25m stocks and last longer than the original five years. Lloyds Bank will probably once again be organizing the finance.

Some questions remain unanswered. What for example the Mass Development Company, owned by a Kuwaiti group, hopes to achieve with its stake of 10.01 per cent in Grindlays Holdings? It certainly is no strategic stake but might come in useful in case of a takeover. And if there is a takeover by, say, Lloyds Bank, what is the likely price?

At 150p Grindlays shares are on a p/e ratio of 5.5 although the activities of the bank and those of Lloyds Bank International would fit well. Lloyds is unlikely to want to pay very much more than the current share price. Understandably, Citibank would hope its stake to be valued on a much higher rating hence the disagreements. There has been no shortage of speculation about alternative scenarios. One is that Lloyds would takeover the Royal Bank of Scotland and swap Williams & Glyn's for the Citibank Grindlays stake.

Unlike Grindlays, the Royal Bank of Scotland is financially one of the strongest among British banks. Any takeover would certainly be referred to the Monopolies Commission and run against Scottish susceptibilities. Citibank says, for the record, that it is not interested in Williams & Glyn's. It is opening its own network of moneyshops along its highly successful German high street operation where its Kungleskreditbank is the largest consumer bank in the country.

Meanwhile, the Royal Bank of Scotland shares have moved up from 85p to 112p over the past couple of months. But except for some element of speculation most of the rise can be attributed to catching up. After all the shares, which have a price of close to 200p are on a p/e ratio of 5.3.

John Whitmore looks at the options open to Mrs Thatcher's Government

Monetary control: is there a better way?

"If the present arrangements (for monetary control) are not entirely adequate, then the questions that arise need to be considered and answered in careful sequence." So said Sir Geoffrey Howe at last Thursday's Mansion House banquet.

Precisely what questions Treasury Ministers, the Governor of the Bank of England and their officials are asking, and in what sequence they are putting those questions, we do not know. Still less do we know the answers they have so far found. But their line of thought must, presumably, go roughly as follows.

If one accepts that the purpose of monetary control is to ensure that the money supply does not grow too fast, then the long-term—namely as fine tuning, rather than front-line policy instruments.

The next important question concerns the kind of money the system should aim to control. The usual assumption on this score is that one is trying to control liquidity that can be turned into purchasing power.

In other words, liquidity that can affect, over time, the level of nominal national income.

At the moment, the main target for control is sterling deposits and coins, together with United Kingdom residents' sterling bank deposits. But is that really sufficiently comprehensive?

Might we not also throw in building society deposits? And what about other relatively liquid assets, such as private sector holdings of Treasury Bills, trade bills and certificates of deposit?

And last year's abolition of exchange controls, should we not also take account

of United Kingdom residents' freedom to switch their money into and out of sterling and include resident holdings of foreign currency bank deposits?

One might also argue the case for including non-resident holdings of sterling bank deposits, either on the grounds that these can finance new domestic lending just as well as resident deposits, or that movements in total sterling deposits may tell one more about the general implications of any given fiscal stance.

These are not simple issues. Indeed, they underlie the complexity both of defining money per se and also of defining the classes of money one wishes to control.

It is hardly surprising, then, that the authorities have placed much more emphasis of late on a broader range of monetary indicators. But whether they should go so far as to have more than one monetary aggregate for target purposes is a moot point.

On the argument that a single indicator will eventually suffer distortions that render it useless, there may well be a case for choosing two target aggregates, including, moreover, one over which the authorities have relatively little direct control.

I suspect, however, that history may have been rather unfair on sterling M3. An aggregate may be only as good, when all is said and done, as the control system allows it to be; and the banking "corset" was patently not a good control system.

Now then should one approach the other key question, that of the method of

control? The nub of the argument here is this: should the authorities try—as they do now—to control the money supply by estimating the correct price needed to achieve their target?

Or should they try to act directly on the quantity of money in the system, leaving markets to sort out the appropriate price?

The main arguments usually put forward in favour of retaining a system number one are threefold. First, the present system has not really been given a fair chance over recent years; second, it possesses an important degree of flexibility and third, the alternative could create more problems than it would solve.

The alternative is, of course, the "monetary base" system. The idea of this is that the banking system's operations are built up on its holdings of base cash—in effect government or central bank created cash.

If, therefore, the central bank can, through its market operations, control the size of this monetary base, it also obtains control over the size of bank deposits that make up the money supply.

The list of arguments put forward against such a system is lengthy. The central argument is, perhaps, that to be effective the system needs to be rigid. Yet to make it rigid would also be almost certain to make it penal to an extent that people would inevitably look for, and probably find, ways around it.

Other arguments could be listed as follows. It would make interest rate movements more

volatile and less predictable. And, together with the inevitable modification of the Bank of England's role as lender of last resort, would require significant changes in banking practice.

At the end of the day one is left sharing the feelings of Professor Alan Walters, Mrs Thatcher's newly appointed personal economic adviser. His view is that it is less the system you choose that matters, than making whatever you do choose work.

A key plank in the monetary base system is that a monetary base system is more likely to work because it makes for quicker responses and makes the interest rate judgment out of the authorities' hands. But does it?

Just as the politicians/authorities may decide that a further rise in interest rates is undesirable, albeit at the expense of some temporary excess growth in money supply, so too they can equally well decide that there may be a case for keeping the lid on interest rates by allowing some short-term monetary base drift.

At the Governor of the Bank of England suggested in his Mansion House speech, more rigid controls of the money supply mean that temporary pressures and distortions have to be absorbed by the real economy instead of being reflected in temporary variations in monetary growth.

Whatever system the Government adopts, it would be surprising if it did not retain the right of flexibility in such circumstances.

Peter Hill

Independent steelmakers fight for their lives



Striking steel workers clash with police outside a privately owned Sheffield steelworks earlier this year: damage from the three-months dispute will take a long time to repair.

lost this year out of the sector's 70,000 strong labour force and that the outlook is bleak.

Last week GKN declared a 10 per cent wage cut at its Brynmawr plant in North Wales, and Neepsend, the Sheffield steel and engineering group, made 100 workers redundant.

More cutbacks are inevitable against the background of continued over-capacity in the steel industry, and the fact that the first half of the financial year from some of the major steel-making companies in the private sector reflect the scale of the difficulties.

Like the corporation, the independent steelmakers suffered a big setback as a result of the three-month steel strike at the beginning of this year. It cost GKN, the largest private sector steelmaker, around £18m and Aurora Holdings, the Sheffield-based steel and engineering group, has reported first-half profits down from £2.6m to £2.1m with specialty steels making little or no money

and with prospects poor for the second half of the year.

Round Oak, the company owned jointly by the BSC and GKN, has since the last nationalization, been based on a statement made by the then Mr Richard Marsh, Minister of Power, during the report stage of the Iron and Steel Bill.

He said: "There is no sense in maintaining a private sector of that industry and their allowing it either to be destroyed or to wither away. If the Government decided that they did not want a private sector in the steel industry, the strongly do would be to nationalize the lot. The Government have taken a conscious decision not to do so. That means that they have taken a considered decision that the private sector is as important as the public sector to the economy of the nation."

Given that this Government will not be nationalizing the private sector, its companies have every reason to expect that Conservative ministers will be anxious to do what the socialist predecessors in the maintenance of a strong and

Association (Bispa) in its submissions to ministers.

The private sector's raison d'être has, since the last nationalization, been based on a statement made by the then Mr Richard Marsh, Minister of Power, during the report stage of the Iron and Steel Bill. He said: "There is no sense in maintaining a private sector of that industry and their allowing it either to be destroyed or to wither away. If the Government decided that they did not want a private sector in the steel industry, the strongly do would be to nationalize the lot. The Government have taken a conscious decision not to do so. That means that they have taken a considered decision that the private sector is as important as the public sector to the economy of the nation."

Given that this Government will not be nationalizing the private sector, its companies have every reason to expect that Conservative ministers will be anxious to do what the socialist predecessors in the maintenance of a strong and

vigorous private sector.

For that reason, Bispa's plea to the Government to consider the private sector steelmakers within the context of an overall strategy for the United Kingdom steel industry, studiously avoided a request for government cash handouts—although there are some in the private sector, like Mr Derek Noble, the rumormongering head of Hatfield, who wants some form of Government intervention through either subsidy or import controls.

What the private sector wants to establish is the extent to which the subsidized BSC is likely to compete even more directly as it moves up market into higher-value products. Sir Keith Joseph, the Industry Secretary, has provided some encouragement to the independent companies with his statement earlier this month in which he would examine the position of the private sector where it competed with the corporation.

Industry Department officials are acquainted with the private sector's problems, and discussions over the next few weeks will centre on the score for rationalization, in some cases through joint ventures, while at the same time the traditional boundary lines between the public and private sectors will be redrawn.

A number of companies have been knocking on the BSC's door in recent weeks and informal discussions between senior private sector steelmakers and the corporation have built up a new momentum.

The scope for the rationalization of billet, bar and rod production between the BSC and GKN through some form of joint venture has been under examination by the two parties for close on two years.

The next two months are seen by the private sector steelmakers as perhaps the most critical period since nationalization. For all the parties involved, survival is the name of the game.

Business Diary profile: Where the CAP fits

se commuters who swarm round London's Charing Cross Station are probably aware of how near they are to the pulse of the common agricultural policy. One of grey, anonymous blocks between the station and Trafalgar Square houses the headquarters of the Intervention and for Agricultural Advice.

There is no flag, not even a sign on the door to indicate the presence of a thriving inch of the Civil Service which would not exist were it not for the EEC. Hardly anybody has heard of the word, and few of those who are clear about what it really does.

The task of its staff of 580 is essentially simple. It is to minister the finances of the P in the United Kingdom. That work takes it into a multitude of strange, byways known to those who do not understand how far the tenets of the policy can extend.

Those who do know of the aid's existence often think of it as the guardian of the initial range of the EEC. It is, however, to supervise and direct the constant flow of money that results from the complex interlocking of levies, subsidies, costs, aids and purchases that keep the CAP in business.

But the board is also a department of the British Government. The board has only six members: the other 574 are staff. Four of the six are senior officials from each of the four government departments whose ministers appoint members of the board.

Since the board covers the whole country it is responsible simultaneously to Peter Walker, the Minister of Agriculture, and to the Secretaries

of State for Scotland, Wales and Northern Ireland. Its fifth member is its chief executive.

The present holder of the post is 53-year-old Kingsley Atkinson who began his career in the Civil Service in the Ministry of Agriculture in 1973. He has been in the post since then has worked on CAP affairs in the ministry and the Cabinet Office.

The sixth member of the board is the chairman and only member who is a civil servant. David Jessup, deputy chairman of the Eagle Star Insurance Group, was given the job by the Conservative Government early this year. He is the only holder of the post to be associated with agriculture or European politics. His predecessor was a potato farmer.

The board has been spared criticism by anti-Marketisers. Indeed it is extraordinary that those most vocal in condemning the cost of the EEC and its few have always overlooked the presence of a substantial Government department which would become redundant overnight if Britain left the Community.

Today, of course, the board can only benefit from the favour shown to EEC institutions and British EEC membership by the present Government, and especially by Peter Walker. He and his colleagues in the ministry talk of the reform of the CAP, but never of its overthrow. If ministers change the system, the board will adapt to their demands.

The CAP has certainly not been immovable, and the board has always adapted to change. It is now grappling with the first EEC regime for a common market in the meat of sheep and goats. It plays a small part in directing parts of the British shares of official food "mountains" to food aid projects.

It pays compensation to fish and fruit cooperatives whose members cannot find a market for their produce or give it away to approved institutions. The board is the custodian of the British share of the food aid projects.

It also pays production refunds on sugar for use in making a long list of chemicals laid down in EEC regulations. The list includes soap, glue, candles, fly paper and rat poison. Truly, the term of the CAP is long.

It keeps the wheels turning so smoothly and quietly that hardly anyone realizes that Britain, one of the world's leading importers of dairy produce, has the second largest share of the stock of surplus butter now held by Community intervention agencies. The board is the custodian of the British share of the food aid projects.

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produce from the market because prices are low.

They cannot win compensation, worth no more than 5p a pound until they have tried to give the surplus away to approved, non-profit-making bodies like hospitals and charities. But those bodies must show that they will take the free food on top of what they would normally buy at market prices.

If all else fails, the food is destroyed on the farms where it is grown under the supervision of government inspectors. This year it has proved impossible to find any takers and more than 2,000 tonnes of fruit and vegetables have been destroyed in accordance with the rules laid down in Brussels.

That is the sort of thing which gives the CAP a bad name in this country. It is a pity that the board is at the centre of the administration of the policy. Its habit of remaining invisible pays off.

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Hugh Clayton

Man-made retreat from Ulster

Given the crippled state of the man-made fibres industry, it is Northern Ireland's misfortune among the regions to have the largest proportion of fibre manufacturers in the United Kingdom's entire installed capacity.

It is further unfortunate that its polyester capacity, a large proportion of the whole, is designed solely for the production of filament yarns, the sector of the industry most hit by the recent flood of cheap United States imports.

In purely local terms it is a misfortune bordering on disaster that ICI's polyester plant at Killoot, the closure of which—with the loss of 1,100 jobs—was announced last Wednesday, is located near to the one-time booming town of Carrickfergus (population 19,000) where the neighbouring Courtaulds fibre complex has already been whittled down, in employment terms, to one eighth of its former self.

Six multinationals have fibre plants in Northern Ireland. They will become five when ICI withdraws completely next March. Mr John Nutt, the Industry Secretary, left a trade union deputation in no doubt last Thursday that he is neither able nor willing to take effective measures against United States imports. There is no real hope that ICI's Killoot decision will be reversed.

Ulster's formerly profitable reliance upon fibres began in 1950 when Courtaulds opened a viscose plant at Carrickfergus. This viscose is made from wood pulp rather than oil feedstock but this was not enough to prevent its closure earlier this year.

Some ten years after Courtaulds started production the synthetic fibre manufacturers began to arrive, tempted by

generous incentives and Northern Ireland's hundred years of textile experience.

The first was Monsanto with an acrylic plant at Coleraine in 1952 which has since increased its capacity nearly fifteen fold. British Enkalon—almost 90 per cent owned by the Dutch Azn group—followed with a nylon plant at Antrim and ICI with its Terylene factory and, later, a basic polymer plant at Killoot. By 1970 this facility was the largest polyester filament plant in Europe and was expanded further to produce tyre-cord.

The number employed in the industry will fall to 3,800 after the decision of recent months and when Killoot shuts next March. Of the survivors, Courtaulds' Carrickfergus plant now merely spins nylon and employs only 300 after peaking at 2,500 nearly a decade ago.

British Enkalon is by far the largest fibre employer now with just over 2,000 workers, against 2,700 at the peak—though this reduction owes more to improved productivity than recession. Though it lost £3m in the first six months of this year at Antrim, the company is committed to a further £30m investment on the site over the next five years.

With an unusually wide product range, Enkalon's position is relatively strong. Hoechst, too, seems to be weathering the storm though employment at Limavady has fallen from 800 to 350. Monsanto has slimmed from 800 to about 550.

With recent and planned modernizations, government authorities are confident that Ulster's remaining fibre plants can hold their own against those elsewhere in Europe and that there is a good chance of stabilizing direct employment at about 4,000 over the next decade.

Bob Rodwell



مركزا من رايصل

MARKET REPORTS

Gulf war dominates tanker trade

The Iran-Iraq conflict has dominated the tanker market, extending the period of uncertainty and rates to which owners, particularly of vessels, must be content to accept. And with a number of ships still trapped in the Strait of Arab waterway, the market is now concerned for seafarers' safety.

The UN Secretary-General, Dr. Waldheim, besought both parties to implement a local ceasefire to allow the ships to pass. Early last week, Iran said that vessels trapped in the Strait of Arab must fly Iraqi flag since the waterway belongs to his country, against Iranian warships fired in the Strait of Hormuz are questioning merchant vessels by radio asking in destinations and warning to avoid Iranian waters. The United Kingdom has sent frigates to the area immediately south of the Strait of Hormuz, where the guided missile destroyer Coventry is now patrolling the Gulf of Oman. The two ships will stand by to help merchant vessels in the area, a Ministry of Defence spokesman said.

Freight

There are now 30 tankers aggregating over 7.1 million dwt in the Gulf and owners of 17 of these have placed them on spot availability in the hope of getting the ships away soon. Most of the vessels are thought to be waiting off Muscat, away from the hostilities, to avoid war risk premiums.

Rates picked up slightly at the beginning of the week to around Worldscale 30—a typical figure was the 20,000 dwt Suezmax tanker. Rates for 10 knots with premiums for higher speed. A two-point bonus was agreed for a Far East charterer's option to be followed by up to 90 days storage at \$13,000 per day with a possible further 30 days at \$15,000.

Issues debt meets investor resistance

International offerings of fixed-rate dollar bonds and notes are continuing to meet resistance from investors because of political and interest rate uncertainties, writes AP Dow Jones.

So far this month, \$70m worth of straight debt has been scheduled or floated. Based on pre-market indications, or after-market quotes, the average decline from issue price was close to 2.5 points on Friday, suggesting the underwritten were once again taking a beating.

In contrast, seasoned issues finished the week with relatively small losses of around a quarter point or so.

A buyers strike is an apt description for what we are seeing now—an investment banker's market. Scheduled for this week was a \$40m offering of trailer finance NY bonds, a company that rents railroad equipment, which are collateralized by equipment trust certificates and also guaranteed by the parent company, Trailer Train Company, of Chicago.

While ETCs have been used for more than 100 years by United States railroads to obtain financing, the concept is not well known in Europe. However, Mr. C. D. Buford, Chairman of ETCs, said in London that use of ETCs has helped this company to borrow about \$1bn this year and last year together.

The \$40m Eurobond offering consists of 12-year bonds bearing 12.25 per cent Standard and Poor's has provisionally rated the issue "A" plus. Managed by manufacturers Hanover Ltd, the issue is scheduled to be priced according to market conditions on October 22.

Euromarkets

We are not looking to squeeze the market with tight terms because we hope to be able to do at least one Eurobond issue a year, Mr. Buford said.

Among offerings reaching the market this week was a \$200m seven-year Citicorp overseas finance NY issue, bearing 12 per cent and priced at 99.88.

The Citicorp issue declined 2.75 points from issue price, which raised the yield to the investor on Friday to 12.73 per cent from 12.11 per cent. The General Electric offering dropped 3.13 to 96.75, which raised the yield to 12.41 per cent from 11.71 per cent.

Both offerings were brought to market by Morgan Stanley International on what were considered very tight terms.

Grain harvests as the first link in the world food chain

Commodities

Because of its obvious importance to return this week to the tangle of the world's food chain, the news looks fairly good, or at least better than two months ago. The International Wheat Council has revised its estimate of the world crop for 1980-81 to 450m tonnes. The prospects for rice in South East Asia and the Far East are said to be good. Price increases, although they could be \$20 a tonne for wheat, could be less than feared.

For those in poor countries, particularly Africa where a smaller harvest is again predicted, and in countries such as the Soviet Union where wheat is an important part of animal feed, these are indeed glad tidings. A return of wheat and rice production to previous record levels means that rising consumption can be met without a possibly dangerous further reduction of stocks.

But other crops are not faring so well. The United States Department of Agriculture has warned that America's maize (corn) crop could be only 6.524m bushels in the current crop year, clearly below the 7.564m bushels harvested last year.

Total output of feed grains is put at 19.4m tonnes in 1980-81, about 40m tonnes less than in 1979-80. The importance of maize for animal feed—mainly pigs and cattle—can be gauged from the estimated 4.325m bushels which have been consumed in America during the last crop year.

As with other grains, America is the world's largest exporter of maize. Last year it sold abroad 71m tonnes of feed grain, but exports are maintained this year, and if domestic demand falls by 10 per cent, American feed grain stocks at the end of the 1980-81 season would be almost halved to 23.5m tonnes. This in a year when the USDA reckons world coarse grain production will decline from 725m tonnes to 711m tonnes.

One significant change in the pattern of feed grain demand this year is a probable increase in the Soviet crop. Coarse grain production in the USSR could be 100 million tonnes, some 20 million tonnes more than in 1979-80. Last year, the trend towards feeding a higher proportion of wheat production to animals is not confined to the USSR, although it is most pronounced there. The USDA calculates that world feed use of wheat in 1979-80 was 87m tonnes, the highest yet, equivalent to around 20 per cent of world wheat output.

At that level, it is back to the proportions prevailing in the early 1970s, before the mid-1960s food and grain crisis. Developed countries, including the USSR, with their insatiable demand for meat were almost wholly responsible.

The problem is as follows. In theory part of the wheat employed as feed could be in emergency use, diverted to human use. But in practice very little of the 80 million to 90 million tonnes of wheat going to animals could be so transferred. Much is too bulky or unpalatable. For middle transport difficulties stand in the way. The larger part of wheat intended for human consumption is eaten relatively close to its point of origin.

Of the 450 million tonnes forecast production this year, only some 87 million tonnes of wheat and flour, or 19.4 per cent, will be traded. The USSR could buy 12.5 million tonnes, a slight increase over previous estimates, while China will require about 11.5 million tonnes.

The emerging picture, therefore, is of food output this year being slightly better than had been thought, but still offering little margin of error, while the superior purchasing power of the developed world's meat eaters continues to whittle down the proportion of wheat available for human consumption. Every drop of rain which damages the Soviet soyabean crop raises the spectre of higher wheat imports.

And yet a caveat must be entered. The season is far from over, and purely mathematical trends of these figures take no account of economic factors. The end of last week saw bad news from Australia, where a prolonged drought could result in the wheat crop falling from 16.2m tonnes last year to just 9m tonnes. Australia is a major exporter to Asia, and a poor crop holds out the prospect of wheat prices rising faster early next year.

Against this, the rice crop is very big, at 392m tonnes and could help reverse the trend of recent years to substitution by wheat. At the same time, the recession in industrial countries might slow down the rate of increase in meat consumption. In so far as some wheat could be released for human rather than animal consumption, prices would be cushioned.

Prices will also be cushioned by a slight rise in carry-over stocks.

World stocks this year are estimated at 95m tonnes.

Michael Prest

Weekly list of fixed interest stocks

Stock	Price	Yield	Dividend
British Telecom	210.00	7.5%	15.75
British Airways	180.00	8.3%	14.94
British Petroleum	160.00	7.5%	12.00
British Overseas Airways	150.00	8.0%	12.00
British Airways	140.00	8.5%	11.90
British Airways	130.00	9.0%	11.70
British Airways	120.00	9.5%	11.50
British Airways	110.00	10.0%	11.30
British Airways	100.00	10.5%	11.10
British Airways	90.00	11.0%	10.90

Eurobond prices (yields and premiums)

Country	Yield	Premium
Australia	12.5%	0.5%
Canada	12.0%	0.5%
France	11.5%	0.5%
Germany	11.0%	0.5%
Italy	10.5%	0.5%
Japan	10.0%	0.5%
Netherlands	9.5%	0.5%
Spain	9.0%	0.5%
Sweden	8.5%	0.5%
Switzerland	8.0%	0.5%
UK	7.5%	0.5%

PT Index change on week +51.1 +14.8 (32%)

Unit Trust Prices—change on the week

Unit Trust	Price	Change
British Telecom	210.00	+5.1
British Airways	180.00	+4.8
British Petroleum	160.00	+3.2
British Overseas Airways	150.00	+2.5
British Airways	140.00	+1.8
British Airways	130.00	+1.1
British Airways	120.00	+0.4
British Airways	110.00	-0.3
British Airways	100.00	-1.0
British Airways	90.00	-1.7
British Airways	80.00	-2.4

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The who's who of what's where in New York City

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